

**CITY OF  
LAKE FOREST**

**2008-2014  
Housing Element**

**Adopted  
September 21, 2010**



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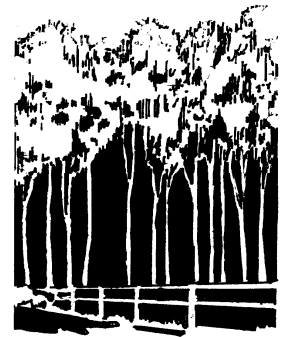
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## I. INTRODUCTION

The Housing Element is a guide for housing within Lake Forest. The Element provides an indication of the need for housing in the community in terms of housing affordability, availability, adequacy, and accessibility. The Element provides a strategy to address housing needs and identifies a series of specific housing programs to meet community needs.



This Housing Element is one of three City documents that address housing issues – the others being the *2005-2010 Consolidated Plan* and the Redevelopment Agency's *Ten-Year Affordable Housing Compliance Plan: 2004-05 through 2013-14*. The Consolidated Plan addresses housing and community development needs and satisfies federal requirements for the Community Development Block Grant (CDBG) program. The City became an entitlement jurisdiction in 1994 and now receives its CDBG allotment directly from the U.S. Department of Housing and Urban Development (HUD). The purpose of the Consolidated Plan is to address the needs of lower-income groups who are the intended beneficiaries of HUD programs. The Redevelopment Agency's Ten-Year Plan addresses the intended uses of the Low/Moderate-Income Housing Fund. Under state law, redevelopment agencies are required to set aside at least 20% of agency tax increment revenues to increase or improve the City's affordable housing stock. Each of these three documents addresses different specific legal requirements but taken together they describe the City's strategy for responding to the housing needs of current and future residents.

### A. Purpose of the Housing Element

State law recognizes the vital role local governments play in the supply and affordability of housing. Each local government in California is required to adopt a comprehensive, long-term General Plan for the physical development of the city or county. The Housing Element is one of the seven mandated elements of the General Plan. Housing Element law, first enacted in 1969, mandates that local governments plan to meet the existing and projected housing needs of all economic segments of the community. The law recognizes that, in order for the private market to adequately address housing needs, local governments must adopt land use plans and regulatory systems that provide opportunities for, and do not unduly constrain, housing development. As a result, housing policy in California rests largely upon the effective implementation of local General Plans and, in particular, local Housing Elements. Housing Element law also requires the California Department of Housing and Community Development (HCD) to review local housing elements for compliance with state law and to report its written findings to the local government.

As mandated by state law, the planning period for this Housing Element extends from 2008 to 2014<sup>1</sup>. This Element identifies strategies and programs that focus on: 1) providing

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<sup>1</sup> As discussed elsewhere in this Housing Element, the planning timeframe for the Regional Housing Needs Assessment process is 8½ years from January 2006 through June 2014.

diversity in housing opportunities and 2) maintenance and preservation of the housing stock.

The Housing Element consists of the following major components:

- An analysis of the City's demographic and housing characteristics and trends (Chapter II);
- An evaluation of land, financial, and administrative resources available to address the City's housing goals (Chapter III);
- A review of potential constraints, both governmental and non-governmental, to meeting the City's housing needs (Chapter IV); and
- A Housing Action Plan for the 2008–2014 planning period, including housing goals, policies and programs (Chapter V).
- A review of the City's accomplishments and progress in implementing the 2000 Housing Element is provided in Appendix A.

## **B. Public Participation**

Section 65583(c)(5) of the *Government Code* states that "The local government shall make diligent effort to achieve public participation of all the economic segments of the community in the development of the housing element, and the program shall describe this effort." Public participation played an important role in the formulation and refinement of the City's housing goals and policies and in the development of a Land Use Plan which determines the extent and density of future residential development in the community.

City residents had several opportunities to recommend strategies, review, and comment on the Lake Forest Housing Element. Two community workshops were held, followed by meetings of the Planning Commission and City Council. Following review by the State Department of Housing and Community Development (HCD), a second public meeting was conducted by the City Council. Meeting notices were posted on the City's website, and notification was published in the local newspaper in advance of the meetings. Copies of the draft Element were made available for review at City Hall and were posted on the City website, and notices were sent directly to agencies that serve the City's special needs populations. These service providers included organizations that represent the housing interest groups.



The following is a list of opportunities for public involvement in the preparation of this Housing Element update.

Public Workshop #1	September 25, 2007
Public Workshop #2	October 9, 2007
Planning Commission hearing	March 27, 2008
City Council hearing	April 1, 2008
Planning Commission hearing	August 13, 2009
City Council hearing	September 1, 2009
Planning Commission hearing	August 12, 2010
City Council hearing	September 21, 2010

### **C. Consistency with Other Elements of the General Plan**

The Lake Forest General Plan contains the following six elements: 1) Land Use; 2) Housing; 3) Circulation; 4) Recreation and Resources; 5) Safety and Noise; and 6) Public Facilities/Growth Management. The City will ensure consistency between the various General Plan elements and ensure policy direction introduced in one element is reflected in other plan elements. For example, residential development capacities established in the Land Use Element and constraints to development identified in the Safety/Noise Element are incorporated into the Housing Element. This Housing Element builds upon the other General Plan elements and is consistent with the policies and proposals set forth by the Plan. As the General Plan is amended from time to time, the City will review the Housing Element for internal consistency, and make any necessary revisions.

SB 1087 of 2005 requires cities to provide a copy of their Housing Elements to local water and sewer providers, and also requires that these agencies provide priority hookups for developments with lower-income housing. The Housing Element will be provided to these agencies immediately upon adoption.



## II. HOUSING NEEDS ASSESSMENT

Lake Forest lies in southern Orange County, approximately midway between San Diego and Los Angeles. The City is economically diverse and provides a range of employment, lifestyle, and housing opportunities. Since its incorporation in 1991 it has grown from a population of about 56,000 to over 78,000 residents today. Most of the population growth occurred as the result of annexation. Lake Forest is approximately 16.6 square miles in area and is bounded by the cities of Mission Viejo to the southeast, Laguna Woods and Laguna Hills to the southwest, Irvine to the west and unincorporated Orange County to the north and northeast. The population is relatively affluent with a median household income in 2000 of \$67,967. The 2000 Census<sup>2</sup> indicated Lake Forest's median household income was 16% greater than that of Orange County (\$58,820) and 43% greater than California as a whole (\$47,493).

This chapter examines general population and household characteristics and trends, such as age, race and ethnicity, employment, household composition and size, household income, and special needs. Characteristics of the existing housing stock (e.g., number of units and type, tenure, age and condition, costs) are also addressed. Finally, the City's projected housing growth needs based on the 2007 Regional Housing Needs Assessment (RHNA) are examined.

The Housing Needs Assessment utilizes the most recent data from the 2000 U.S. Census<sup>3</sup>, California Department of Finance (DOF), California Employment Development Department (EDD), Southern California Association of Governments (SCAG) and other relevant sources. Supplemental data was obtained through field surveys and from private vendors. In addition, the City's Consolidated Plan provides useful information for this update of the Housing Element.

### A. Population Characteristics

#### 1. Population Growth Trends

Lake Forest was incorporated in 1991 with a population of 56,065. From 1991-2000 the City experienced modest growth of approximately 5%. From 2000 to 2007 the City grew almost 33% to an estimated population of 78,243 (see Table II-1 and Figure II-1). A majority of the growth during this period was due to annexations of unincorporated areas of the County. The City's 2007 population represents approximately 2.5% of the County's total population of 3,098,121.

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<sup>2</sup> 2000 Census, SF3 Table P53

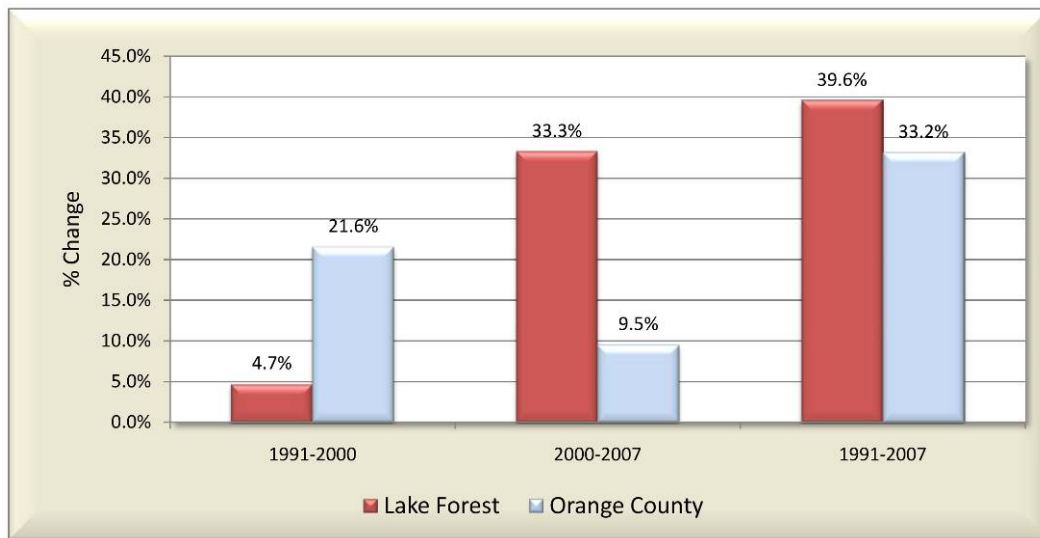
<sup>3</sup> Although some more recent Census estimates exist, the 2000 Decennial Census is the most widely accepted benchmark for demographic analysis.

**Table II-1**  
**Population Trends, 1991-2007**  
**Lake Forest vs. Orange County**

	1991	2000	2007	Growth 1991-2000	Growth 2000-2007
Lake Forest	56,065	58,707	78,243	4.7%	33.3%
Orange County	2,326,500	2,828,351	3,098,121	21.6%	9.5%

Sources: 1990 and 2000 Census; Calif. Dept. of Finance Table E-1 (2007)

**Figure II-1**  
**Population Growth – 1991-2007**  
**Lake Forest vs. Orange County**



Sources: US Census 2000, California Department of Finance Table E-1(2007)

## 2. Age

Housing needs are influenced by the age characteristics of the population. Different age groups require different accommodations based on lifestyle, family type, income level, and housing preference. Table II-2 provides a comparison of the City's and County's population by age group in 2000. This table shows that the age distribution of the City's population is similar to Orange County as a whole. The median age of the City's population exceeds the County median by approximately two years.

**Table II-2**  
**Age Distribution**  
**Lake Forest vs. Orange County**

Age Group	Lake Forest		County	
	Persons	%	Persons	%
Under 18 years	17,343	28.8%	768,419	27.0%
18 to 24 years	4,679	7.8%	268,181	9.4%
25 to 44 years	19,556	32.5%	943,613	33.2%
45 to 64 years	13,598	22.6%	585,313	20.6%
65 to 74 years	2,332	3.9%	148,702	5.2%
75 to 84	1,686	2.8%	97,967	3.4%
85 and over	1,033	1.7%	34,094	1.2%
Total	60,227	100.0%	2,846,289	100.0%
Median Age	35.1		33.3	

Source: 2000 Census, Table QT-P1

### 3. Race and Ethnicity

The racial and ethnic composition of the City differs from the County in that a lower proportion of City residents are Hispanic/Latino or other racial minorities. Approximately 76% of City residents are non-Hispanic white, contrasted with 65% for the County as a whole. The percentage of Hispanics residing in the City, at 19%, is approximately two-thirds that of the County. Asians, at 2.6%, represent the largest non-Hispanic minority (Table II-3).

**Table II-3**  
**Race/Ethnicity**  
**Lake Forest vs. Orange County**

	Lake Forest		Orange County	
	Persons	%	Persons	%
Not Hispanic or Latino	47,794	81.4%	1,970,710	69.2%
-White	44,629	76.0%	1,844,625	64.8%
-Black or African American	1,073	1.8%	47,649	1.7%
-American Indian/Alaska Native	295	0.5%	19,906	0.7%
-Asian	5,693	2.6%	386,785	13.6%
-Native Hawaiian/Pacific Islander	120	0.1%	8,938	0.3%
-Other races or 2+ races	6,897	11.7%	538,359	18.9%
Hispanic or Latino (any race)	10,913	18.6%	875,579	30.8%
Total	58,707	100.0%	2,846,289	100.0%

Sources: 2000 Census, SF1 Table QT-Pe

## B. Household Characteristics

### 1. Household Composition and Size

Household characteristics are important indicators of the type and size of housing needed in a city. The Census defines a “household” as all persons occupying a housing unit, which may include single persons living alone, families related through marriage or blood, or unrelated persons sharing a single unit. Persons in group quarters such as dormitories, retirement or convalescent homes, or other group living situations are included in population totals, but are not considered households.

Table II-4 provides a comparison of households by type for the City and Orange County as a whole, as reported in the 2000 Census. Family households comprised approximately 74% of all households in the City, somewhat higher than the County with 71%. In general, household composition in the City is similar to that of the County with small differences in family households with children under 18 (31% City vs. 29% County), non-family households (26% City vs. 29% County) and single living alone (19% City vs. 21% County). The City’s average household size of 2.89 was slightly lower than Orange County as a whole (3.00). As of 2007, according to the California Department of Finance, the average housing size for the City of Lake Forest had increased slightly to 3.01 while the County’s average household size had increased to 3.09. These statistics suggest that the need for large units in Lake Forest is about the same as other areas of the County.

**Table II-4  
Household Composition  
Lake Forest vs. Orange County**

Type	Lake Forest		Orange County	
	Households	%	Households	%
Total Households	20,008	100.0%	935,287	100.0%
Families	14,741	73.7%	667,917	71.4%
-w/children under 18	6,279	31.4%	271,782	29.1%
Non-family households	5,267	26.3%	267,370	28.6%
-single living alone	3,881	19.4%	197,650	21.1%
Average household size	2.89		3.00	

Sources: US Census 2000, SF1 Tables P18 & H-12

### 2. Housing Tenure

Housing tenure (owner vs. renter) is an important indicator of the housing market. Communities need an adequate supply of units available both for rent and for sale in order to accommodate a range of households with varying income, family size and composition, and lifestyle. Table II-5 provides a comparison of the number of owner-occupied and renter-occupied units in the City in 2000 as compared to the County as a whole. It reveals that the level of homeownership for the City (72%) is substantially higher than the County (61%).

**Table II-5**  
**Household Tenure –**  
**Lake Forest vs. Orange County**

Tenure	Lake Forest		Orange County	
	Units	%	Units	%
Owner Occupied	14,422	72%	574,193	61%
Renter Occupied	5,702	28%	361,094	39%
Total occupied units	20,124	100%	935,287	100%

Source: 2000 Census, QT-H1 and H7

### 3. Overcrowding

Overcrowding is often closely related to household income and the cost of housing. The U.S. Census Bureau considers a household to be overcrowded when there is more than one person per room, excluding bathrooms and kitchens, with severe overcrowding when there are more than 1.5 occupants per room. Table II-6 summarizes overcrowding for the City of Lake Forest in 2000.

**Table II-6**  
**Overcrowding –**  
**Lake Forest vs. Orange County**

Household Tenure	Lake Forest		Orange County	
	Households	%	Households	%
Owner-Occupied	14,422	100.0%	574,193	100.0%
Overcrowded	423	2.9%	21,467	3.7%
Severely overcrowded	242	1.7%	23,271	4.1%
Renter-Occupied	5,702	100.0%	361,094	100.0%
Overcrowded	382	6.7%	32,178	8.9%
Severely overcrowded	690	12.1%	70,342	19.5%

Source: 2000 Census, SF3 Table H20

As of 2000, overcrowding was more prevalent among renters than for owner-occupied units. Approximately 18.8% of the City's renter-occupied households were overcrowded compared to only 4.6% of owner-occupants. It should be noted that the City of Lake Forest Code Enforcement Division enforces the occupancy standards of the California Uniform Housing Code which are based on persons per square feet. These standards result in a significantly higher threshold for overcrowding than the standards of the U.S. Census Bureau.

The relatively high cost of housing in Lake Forest and throughout the region is the primary cause of overcrowding. Several programs in the Housing Action Plan (Chapter V) designed to address housing affordability will also help to alleviate overcrowding. These programs include redevelopment of the Saddleback Ranch Apartments site (Program 1), Financial and Regulatory Assistance (Programs 1a and 3), Section 8 rental assistance

(Program 12), First-Time Homebuyer Assistance (Program 18), Expedited Project Review (Program 5), and Second Units (Program 6).

#### 4. Household Income

Household income is a primary factor affecting housing needs in a community. According to the 2000 Census, the median household income in Lake Forest was \$67,967, approximately 16% higher than the Orange County median income of \$58,820 (Table II-7).

**Table II-7**  
**Median Household Income –**  
**Orange County and Selected Cities**

Jurisdiction	Median Household Income	% of County Median Income
Lake Forest	\$67,967	116%
Dana Point	\$63,043	107%
Laguna Beach	\$75,808	129%
Laguna Niguel	\$80,733	137%
Mission Viejo	\$78,248	133%
Rancho Santa Margarita	\$78,475	133%
San Clemente	\$63,507	108%
San Juan Capistrano	\$62,392	106%
Orange County	\$58,820	100%
California	\$47,493	81%

Source: 2000 Census, SF3 Table P53

#### 5. Overpayment

According to state housing policy, overpaying occurs when housing costs exceed 30% of gross household income. Table II-8 displays estimates for overpayment in 1999 by lower-income households. According to SCAG, 60% of all lower-income renter households and 55% of all lower-income owner households in Lake Forest were overpaying for housing. While low-income owners appeared to suffer the greatest cost burden, with 69.5% of this category overpaying for housing, about 60% of all categories of lower-income households, both renters and owners, were found to be overpaying for housing.

Although homeowners enjoy income and property tax deductions and other benefits that help to compensate for high housing costs, lower-income homeowners may need to defer maintenance or repairs due to limited funds, which can lead to deterioration. For lower-income renters, severe cost burden can require families to double up resulting in overcrowding and related problems.



**Table II-8  
Overpayment by Income Category**

Income Category	Renters		Owners	
	Households	%	Households	%
Extremely low households	490		940	
Households overpaying	310	63.3%	515	54.8%
Very low households	734		1,520	
Households overpaying	465	63.4%	655	43.1%
Low households	1,415		1,230	
Households overpaying	815	57.6%	855	69.5%
All lower-income households	2,639		3,690	
Households overpaying	1,590	60.3%	2,025	54.9%

Source: SCAG 2006 based on 2000 Census

The relatively high cost of housing in Lake Forest and throughout the region is the primary cause of overpayment. Several programs in the Housing Action Plan (Chapter V) designed to address housing affordability will also help to address this issue. These programs include redevelopment of the Saddleback Ranch Apartments site (Program 1), Financial and Regulatory Assistance (Programs 1a and 3), Section 8 rental assistance (Program 12), First-Time Homebuyer Assistance (Program 18), Expedited Project Review (Program 5), and Second Units (Program 6).

### Extremely Low Income Households

State law requires quantification and analysis of existing and projected housing needs of extremely-low-income (ELI) households. Extremely-low-income is defined as households with income less than 30% of area median income. As reported in the 2000 Census, the area median income for Orange County was \$58,820. For extremely-low-income households, this results in an income of \$17,646 or less for a four-person household. Households with extremely-low-income have a variety of housing situations and needs.

#### Existing Needs

In 2000, approximately 1,430 extremely-low income households resided in Lake Forest (Table II-8). 63% of extremely-low-income renter households were overpaying, while 55% of extremely-low-income owners overpaid.

#### Projected Needs

The projected housing need for extremely-low-income households is assumed to be 50% of the very-low-income regional housing need of 6 units. As a result, the City has a projected need for 3 extremely-low-income units. The resources and programs to address this need are the same as for low-income housing in general and are discussed throughout the Housing Element, including Chapter V, the Housing Action Plan. Because the needs of extremely-low-income households overlap extensively with other special

needs groups, further analysis and resources for extremely low income households can be found in Chapter IV, Constraints, Section A.1.d. (Special Needs Housing).

## C. Employment

Employment is an important factor affecting housing needs within a community. The jobs available in each employment sector and the wages for these jobs affect the type and size of housing residents can afford.

### 1. Current Employment

Current employment and projected job growth have a significant influence on housing needs during this planning period. Table II-9 shows that the City had a workforce of 32,407 persons, or 73% of the working-age population, as reported in the 2000 Census. This table shows that the characteristics of the City's population are similar to those countywide with a somewhat higher proportion of working-age population in the labor force. Over two-thirds of those aged 16 and over were in the labor force as of 2000. About 4% of City residents worked at home, and less than one-third were not in the labor force.

**Table II-9  
Labor Force –  
Lake Forest vs. Orange County**

	Lake Forest		Orange County	
	Persons	%	Persons	%
In labor force	32,407	72.6%	1,411,901	65.5%
-Work at home	1,255	3.9%	48,832	3.5%
Not in labor force	12,231	27.4%	742,051	34.5%
-With social security income	3,169	7.1%	189,440	8.8%
Total population age 16+	44,638		2,153,952	

Source: 2000 Census, DP-3

In 2000, approximately 41% of the City's working residents were employed in management and professional occupations (Table II-10). A significant percentage of workers (33%) were employed in sales and office related occupations. A relatively low percentage of workers (11.9%) were employed in service related occupations such as waiters, waitresses and beauticians. Blue collar occupations such as machine operators, assemblers, farming, transportation, handlers and laborers constituted 13.6% of the workforce.

**Table II-10  
Employment by Occupation**

	<b>Jobs</b>	<b>% of Total</b>
Management, professional and related	12,920	41.3%
Service	3,709	11.9%
Sales and office	10,359	33.1%
Farming, fishing and forestry	26	0.1%
Construction, extraction, and maintenance	1,859	5.9%
Production, transportation, and material moving	2,409	7.7%

Source: 2000 Census, DP-3

As of 2005, the four largest employment sectors within Orange County were professional and business services (254,900 employees), manufacturing (183,500 employees), government (153,400 employees) and retail trade (153,200 employees)<sup>4</sup>.

## **2. Projected Job Growth**

Future housing needs are affected by the number and type of new jobs created during this planning period. Table II-11 shows projected job growth by occupation for the Santa Ana-Anaheim-Irvine MSA (Orange County) along with median hourly wages for the period 2004-2014. Total employment in Orange County is expected to grow by 18% between 2004 and 2014. The overall growth is expected to add 287,400 new jobs and bring the employment of Orange County to almost 1,887,000 by 2014.

Generally, residents who are employed in well-paying occupations have less difficulty obtaining adequate housing than residents in low-paying occupations. Table II-11 illustrates the growth trend in low-wage service jobs such as health care support, food preparation and serving, cleaning and maintenance, sales, and office/administrative support.

<sup>4</sup> California Economic Development Dept., March 2005 Benchmark

**Table II-11**  
**Projected Job Growth by Occupation, 2004-2014 –**  
**Santa Ana-Anaheim-Irvine Metropolitan Statistical Area**

Occupational Title	Annual Average Employment		Employment Change		Median Hourly Wage*
	2004	2014	Jobs	%	
Total, All Occupations	1,599,600	1,887,000	287,400	18.0	\$15.80
Management Occupations	107,850	128,710	20,860	19.3	\$44.44
Business and Financial Operations Occupations	82,810	101,470	18,660	22.5	\$27.87
Computer and Mathematical Occupations	43,440	57,270	13,830	31.8	\$32.40
Architecture and Engineering Occupations	36,300	43,750	7,450	20.5	\$33.26
Life, Physical, and Social Science Occupations	12,900	15,500	2,600	20.2	\$28.98
Community and Social Services Occupations	14,250	17,000	2,750	19.3	\$21.55
Legal Occupations	12,810	15,440	2,630	20.5	\$41.93
Education, Training, and Library Occupations	74,440	96,080	21,640	29.1	\$24.02
Arts, Design, Entertainment, Sports, and Media Occupations	31,720	37,720	6,000	18.9	\$20.29
Healthcare Practitioners and Technical Occupations	54,540	67,000	12,460	22.8	\$30.93
Healthcare Support Occupations	31,040	39,970	8,930	28.8	\$11.76
Protective Service Occupations	25,500	30,330	4,830	18.9	\$13.48
Food Preparation and Serving Related Occupations	119,650	148,940	29,290	24.5	\$8.32
Building and Grounds Cleaning and Maintenance Occupations	60,870	74,520	13,650	22.4	\$9.13
Personal Care and Service Occupations	38,590	47,830	9,240	23.9	\$9.40
Sales and Related Occupations	187,440	219,640	32,200	17.2	\$13.20
Office and Administrative Support Occupations	290,520	318,250	27,730	9.5	\$15.03
Farming, Fishing, and Forestry Occupations	6,830	7,080	250	3.7	\$8.71
Construction and Extraction Occupations	98,530	119,050	20,520	20.8	\$19.55
Installation, Maintenance, and Repair Occupations	52,360	61,790	9,430	18.0	\$18.27
Production Occupations	124,410	132,340	7,930	6.4	\$11.02
Transportation and Material Moving Occupations	92,860	107,310	14,450	15.6	\$10.25

Source: California Employment Development Dept., March 2005 Benchmark

\*2006 wages

[http://www.calmis.ca.gov/file/occproj/rive\\$occproj.xls](http://www.calmis.ca.gov/file/occproj/rive$occproj.xls)

### 3. Jobs-Housing Balance

A regional balance of jobs to housing helps to ensure that the demand for housing is reasonably related to supply. When the number of jobs significantly exceeds the housing supply, the rental and for-sale housing markets may become overheated, requiring households to pay a larger percentage of their income for housing. In addition, a tight housing market can result in overcrowding and longer commute times as workers seek more affordable housing in outlying areas. The current jobs-housing objective within the SCAG region is one new housing unit for every 1.5 jobs.<sup>5</sup>

<sup>5</sup> SCAG Draft 2008 Regional Comprehensive Plan, Land Use & Housing Chapter

According to the 2000 Census, about 92% of employed Lake Forest residents worked in Orange County, and approximately 16% of all workers were employed within the City limits (Table II-12).

**Table II-12**  
**Job Location for Lake Forest Residents**

	Persons	%
Work in Orange County	28,146	91.5%
-Work in city of residence	4,790	15.6%
-Work elsewhere in Orange County	23,356	75.9%
Work in another California county	2,451	8.0%
Work outside California	180	0.6%
Total workers age 16+	30,777	

Source: 2000 Census, SF3 Tables P26 & P27

Table II-13 shows that the largest employment sector within Lake Forest is Retail Trade with 30% of all jobs, followed by Services with 25%. The City is located within a jobs-rich portion of South Orange County. According to the Orange County Projections 2006<sup>6</sup> (OCP 2006) prepared by the Center for Demographic Research at California State University, Fullerton, the City contained 26,671 housing units and 33,022 jobs in 2005; this is a ratio of 1.24 jobs per housing unit. Countywide there were 1,014,331 housing units and 1,615,936 jobs in 2005 for a ratio of 1.59 jobs per housing unit. The City borders the jobs-rich City of Irvine, which contained 68,735 housing units and 219,454 jobs in 2005 for a ratio of 3.19 jobs per housing unit.

According to OCP 2006, the City is anticipated to add over 26,000 jobs and 125 additional housing units between 2005 and 2035. Based on these projections, the anticipated jobs-housing ratio in 2035 would be 2.2 jobs per housing unit.

<sup>6</sup> OCP 2006 was adopted prior to the City's adoption of the General Plan Amendment and Zone Change for the Opportunities Study Area.

**Table II-13**  
**Employment Profile and Jobs/Housing Balance –**  
**Lake Forest vs. Orange County**

Industry	Lake Forest		Orange County	
	Employees	%	Employees	%
Agriculture	531	2.1%	7,593	0.5%
Mining	31	0.1%	601	0.0%
Construction	1,570	6.2%	79,872	5.3%
Manufacturing - Durable goods	2,009	8.0%	154,944	10.2%
Manufacturing - Non-durable goods	840	3.3%	75,565	5.0%
Transportation & public utilities	365	1.4%	50,982	3.4%
Trade – wholesale	1,095	4.3%	100,207	6.6%
Trade – retail	7,588	30.0%	239,490	15.8%
Finance, insurance & real estate	1,656	6.6%	105,822	7.0%
Services	6,359	25.2%	437,152	28.9%
Government	996	3.9%	146,592	9.7%
Self-employed	2,212	8.8%	115,914	7.7%
<b>Total Jobs</b>	<b>25,252</b>	<b>100%</b>	<b>1,514,734</b>	<b>100%</b>
<b>Housing Units</b>	<b>20,486</b>		<b>969,484</b>	
<b>Jobs/Housing Ratio</b>	<b>1.2</b>		<b>1.6</b>	

Source:  
 Cal. State University Fullerton, Center for Demographic Research  
 Orange County Progress Report 2007 (based on 2000 Census)

## D. Housing Stock Characteristics

This section presents an evaluation of the characteristics of the community's housing stock and helps in identifying and prioritizing needs. The factors evaluated include the number and type of housing units, recent growth trends, age and condition, tenure, vacancy, housing costs, affordability, and assisted affordable units at-risk of loss due to conversion to market-rate. A housing unit is defined as a house, apartment, mobile home, or group of rooms, occupied as separate living quarters, or if vacant, intended for occupancy as separate living quarters.

### 1. Housing Type and Growth Trends

As of 2007, the housing stock in Lake Forest was comprised mostly of single-family detached homes, which made up about 54% of all units, while multi-family units comprised about 27% of the total. About 15% of units were single-family attached (condo) units, while mobile homes comprised the remaining 5%. Table II-14 provides a breakdown of the housing stock by type along with growth trends for the City compared to the County as a whole for the period 2000-2007.

**Table II-14**  
**Housing by Type, 2000-2007 –**  
**Lake Forest vs. Orange County**

Structure Type	2000		2007		Growth	
	Units	%	Units	%	Units	%
<i><b>Lake Forest</b></i>						
Single-family detached	10,856	53%	14,165	54%	3,309	56%
Single-family attached	2,828	14%	3,923	15%	1,095	19%
Multi-family 2-4 units	1,251	6%	1,276	5%	25	0%
Multi-family 5+ units	4,265	21%	5,734	22%	1,469	25%
Mobile homes	1,286	6%	1,286	5%	0	0%
Total units	20,486	100%	26,384	100%	5,898	100%
<i><b>Orange County</b></i>						
Single-family detached	489,657	51%	518,327	51%	28,670	52%
Single-family attached	124,702	13%	127,849	12%	3,147	6%
Multi-family 2-4 units	88,804	9%	90,977	9%	2,173	4%
Multi-family 5+ units	233,871	24%	255,442	25%	21,571	39%
Mobile homes	32,450	3%	32,097	3%	-353	-1%
Total units	969,484	100%	1,024,692	100%	55,208	100%

Sources: Cal. Dept. of Finance, Table E-5, 2007

City of Lake Forest Development Services Dept.

Between 2000 and 2007, single-family detached homes represented 56% of all units added to the City's housing stock. While detached units comprised the majority of new units in both the City and County, 25% of new residential units in the City were multi-family units. It should be noted that, during this period, most of the units added to the City's housing stock were acquired through annexation rather than new construction.

## 2. Housing Age and Conditions

Housing age is often an important indicator of housing condition. Housing units built prior to 1978 before stringent limits on the amount of lead in paint were imposed may have interior or exterior building components coated with lead-based paint. Housing units built before 1970 are the most likely to need rehabilitation and to have lead-based paint in deteriorated condition. Lead-based paint becomes hazardous to children under age six and to pregnant women when it peels off walls or is pulverized by windows and doors opening and closing.

Table II-15 shows the age distribution of the housing stock in Lake Forest compared to Orange County as a whole.

**Table II-15**  
**Age of Housing Stock by Tenure –**  
**Lake Forest vs. Orange County**

Year Built	Lake Forest		Orange County	
	Units	%	Units	%
Owner occupied	14,422	100%	574,193	100%
1990 or later	434	3%	86,721	15%
1980-89	5,082	35%	92,315	16%
1970-79	7,134	49%	147,996	26%
1960-69	1,662	12%	135,020	24%
1950-59	57	0%	84,614	15%
1940-49	15	0%	14,748	3%
1939 or earlier	38	0%	12,779	2%
Renter occupied	5,702	100%	361,094	100%
1990 or later	635	11%	42,557	12%
1980-89	2,729	48%	70,971	20%
1970-79	1,942	34%	110,694	31%
1960-69	319	6%	76,736	21%
1950-59	45	1%	36,830	10%
1940-49	15	0%	12,383	3%
1939 or earlier	17	0%	10,923	3%

Source: 2000 Census H36

This table shows that only about 12% of the owner-occupied housing units and 7% of rented units in Lake Forest were constructed prior to 1970. These findings suggest that there may be a need for maintenance and rehabilitation, including remediation of lead-based paint, for only a small portion of the City's housing stock.

Table II-16 identifies the number of owner-occupied and renter-occupied housing units lacking complete kitchen or plumbing facilities in the City and the County as a whole. This table shows that less than 1% of both renter-occupied and owner-occupied units lacked complete plumbing. Additionally, less than 1% of owner-occupied units and 2.1% of renter-occupied units lacked complete kitchens. The lack of complete kitchen or plumbing facilities is often an indicator of serious problems, and housing units may need rehabilitation even though they have complete kitchens and plumbing facilities.

In order to further assess housing conditions in the City, knowledgeable Code Enforcement staff identified those few areas where problems may exist. In December 2007 a targeted field survey of those areas determined that less than five units were in need of minor repair, and only one was identified with structural problems.



**Table II-16**  
**Kitchen and Plumbing Facilities by Tenure –**  
**Lake Forest vs. Orange County**

	Lake Forest		Orange County	
	Units	%	Units	%
Owner occupied	14,422	100.0%	574,193	100.0%
Complete kitchen facilities	14,407	99.9%	572,829	99.8%
Lacking complete kitchen facilities	15	0.1%	1,364	0.2%
Renter occupied	5,702	100.0%	361,094	100.0%
Complete kitchen facilities	5,581	97.9%	354,061	98.1%
Lacking complete kitchen facilities	121	2.1%	7,033	1.9%
Owner occupied	14,422	100.0%	574,193	100.0%
Complete plumbing facilities	14,401	99.9%	572,477	99.7%
Lacking complete plumbing facilities	21	0.1%	1,716	0.3%
Renter occupied	5,702	100.0%	361,094	100.0%
Complete plumbing facilities	5,662	99.3%	357,750	99.1%
Lacking complete plumbing facilities	40	0.7%	3,344	0.9%

Source: 2000 Census H48, H51

The goal of the City's Code Enforcement program is to address housing concerns before they become serious problems. The proactive Code Enforcement program has helped to reduce structural deterioration by identifying problems and informing residents of programs to assist with improvements. In addition, the City address issues related to lead-based paint through its rehabilitation program for single-family homes and mobile home units.

### 3. Vacancy

Housing vacancy rates as reported in the 2000 Census are shown in Table II-17. The table shows that vacancy rates in the City were relatively low, with 4.1% of rental units and 0.8% of for-sale units available for rent or sale, respectively. The rental vacancy rate for the County as a whole was slightly lower, at 3.0%, while the rate of for-sale housing was similar to the City at 0.9%. Rental vacancy rates in the 2% range indicate nearly full occupancy, and contribute to upward pressures on rents.

**Table II-17  
Housing Vacancy –  
Lake Forest vs. Orange County**

	Lake Forest		Orange County	
	Units	%	Units	%
Total housing units	20,486	100.0%	969,484	100.0%
Occupied units	20,008	97.7%	935,287	96.5%
-Owner occupied	14,407	70.3%	574,456	59.3%
-Renter occupied	5,601	27.3%	360,831	37.2%
Vacant units	478	2.3%	34,197	3.5%
-For rent*	238	4.1%	10,973	3.0%
-For sale**	113	0.8%	5,165	0.9%
-Rented or sold, not occupied	57	0.3%	3,112	0.3%
-For seasonal or occasional use	27	0.1%	8,336	0.9%
-For migrant workers	0	0.0%	79	0.0%
-Other vacant	43	0.2%	6,532	0.7%

Source: 2000 Census, Table QT-H1

Notes: \*Est. % of all rental units

\*\*Est. % of all for-sale units

## 4. Housing Cost

### a. Housing Affordability Criteria

State law establishes five income categories for purposes of housing programs based on the area (i.e., county) median income ("AMI"): extremely-low (30% or less of AMI), very-low (31-50% of AMI), low (51-80% of AMI), moderate (81-120% of AMI) and above moderate (over 120% of AMI). Housing affordability is based on the relationship between household income and housing expenses. According to HUD and the California Department of Housing and Community Development<sup>7</sup>, housing is considered "affordable" if the monthly payment is no more than 30% of a household's gross income. In some areas (such as Orange County), these income limits may be increased to adjust for high housing costs.

Table II-18 shows affordable rent levels and estimated affordable purchase prices for housing in Lake Forest (and Orange County)<sup>8</sup> by income category. Based on state-adopted standards, the maximum affordable monthly rent for extremely-low-income households is \$650, while the maximum affordable rent for very-low-income households is \$1,083. The maximum affordable rent for low-income households is \$1,733, while the maximum for moderate-income households is \$2,360.

Maximum purchase prices are more difficult to determine due to variations in mortgage interest rates and qualifying procedures, down payments, special tax assessments, homeowner association fees, property insurance rates, etc. With this caveat, the maximum home purchase prices by income category shown in Table II-18 have been estimated based on typical conditions.

<sup>7</sup> HCD memo of 4/18/07 (<http://www.hcd.ca.gov/hpd/hrc/rep/state/inc2k7.pdf>)

<sup>8</sup> Affordable rent and purchase prices are based on county median income.

**Table II-18**  
**Income Categories and Affordable Housing Costs, 2007 –**  
**Orange County**

2007 County Median Income = \$78,700	Income Limits	Affordable Rent	Affordable Price (est.)
Extremely Low (<30%)	\$26,000	\$650	\$90,000
Very Low (31-50%)	\$43,300	\$1,083	\$150,000
Low (51-80%)	\$69,300	\$1,733	\$240,000
Moderate (81-120%)	\$94,400	\$2,360	\$325,000
Above moderate (120%+)	\$95,400+	\$2,360+	\$325,000+

## Assumptions:

-Based on a family of 4

-30% of gross income for rent or PITI

-10% down payment, 6.25% interest, 1.25% taxes &amp; insurance, \$200 HOA dues

Source: Cal. HCD; Conexus

## b. For-Sale Housing

Existing housing resale price statistics for the period January 2006 through August 2007 are shown in Table II-19.

**Table II-19**  
**Housing Sales Price Distribution: 2006-07**

Price	Resale	
	Condo	SFD
Under \$150,000	0	0
\$150,000-174,999	0	0
\$175,000-199,999	0	1
\$200,000-224,999	0	1
\$225,000-249,999	0	0
\$250,000-274,999	9	0
\$275,000-299,999	20	0
\$300,000-324,999	10	0
\$325,000-349,999	7	0
\$350,000-374,999	39	0
\$375,000-399,999	42	3
\$400,000-424,999	24	7
\$425,000-449,999	20	3
\$450,000-474,999	13	3
\$475,000-499,999	21	3
\$500,000+	40	284
Median	\$388,500	\$690,000

Resale data for January 2006 through August 2007

Source: DataQuick Information Systems

The table shows that the median price for resale single-family detached homes was \$690,000 while for resale condos, the median price was \$388,500. Based on the

estimated affordable purchase prices shown in Table II-18, only a very small percentage of for-sale units were affordable to lower-income or moderate-income residents. These data illustrate the fact that public subsidies are generally required to reduce sales prices to a level that is affordable to low- and moderate-income buyers. At a median price of \$388,500, there is a "gap" of over \$63,500 between the market price and the maximum price a moderate-income household can afford to pay for a home. For low-income households, this gap is over \$148,500.

### c. Rental Housing

Table II-20 shows current (2007) market data for rental apartments in selected market areas of Orange County based on recent surveys of large complexes. The table shows that the average rent for all surveyed units in Lake Forest is \$1,540 per month, which is comparable to the countywide average and the average rent for the cities of Laguna Niguel, Rancho Santa Margarita, and San Clemente. The average rent is somewhat higher than Mission Viejo and Rancho Santa Margarita and lower than the cities of Laguna Beach and Aliso Viejo.

**Table II-20**  
**Rental Market Comparison - 2007 -**  
**Selected Orange County Cities**

Average Rent	Laguna Niguel	San Clemente	Lake Forest	Mission Viejo	Rancho Santa Margarita	Laguna Beach	Aliso Viejo	County Total
ALL	\$1,551	\$1,578	\$1,540	\$1,473	\$1,515	\$1,670	\$1,695	\$1,551
Studio		\$1,266		\$1,137				\$1,145
1bd 1bth	\$1,375	\$1,473	\$1,367	\$1,274	\$1,353	\$1,501	\$1,481	\$1,353
2bd 1bth	\$1,512		\$1,471	\$1,618	\$1,666			\$1,470
2bd 2bth	\$1,608	\$1,642	\$1,652	\$1,639	\$1,649	\$1,858	\$1,789	\$1,782
3bd 2bth	\$1,946	\$2,027	\$1,925	\$2,215	\$2,152		\$2,108	\$2,124
<b>Average sf</b>								
ALL	910	845	875	860	862	935	991	877
Studio		493		512				510
1bd 1bth	703	695	720	727	728	800	778	734
2bd 1bth	875		985	945	972			914
2bd 2bth	993	964	1001	1009	1002	1131	1072	1030
3bd 2bth	1246	1246	1200	1308	1261		1400	1222
<b>Average Cost/sf</b>								
ALL	\$1.70	\$1.87	\$1.76	\$1.71	\$1.76	\$1.79	\$1.71	\$1.77
Studio		\$2.57		\$2.22				\$2.25
1bd 1bth	\$1.96	\$2.12	\$1.90	\$1.75	\$1.86	\$1.88	\$1.90	\$1.84
2bd 1bth	\$1.73		\$1.49	\$1.71	\$1.71			\$1.61
2bd 2bth	\$1.62	\$1.70	\$1.65	\$1.62	\$1.65	\$1.64	\$1.67	\$1.73
3bd 2bth	\$1.56	\$1.81	\$1.64	\$1.69	\$1.71		\$1.51	\$1.74
<b>Average Occupancy</b>	96.40%	93.90%	94.50%	95.10%	93.20%	92.00%	93.40%	94.90%
<b>Average Year Built</b>	1987	1990	1980	1988	1994	1987	1994	1978

Source: DataQuick, 9/07

When market rents are compared to the amounts low-income households can afford to pay (Table II-18), it is clear that very-low- and extremely-low-income households have a difficult time finding housing without overpaying. The gap between market rent and affordable rent at the very-low-income level is about \$457 per month, while the gap at the extremely-low-income level is \$890 per month. However, at the low-income and moderate-income levels, households are much more likely to find affordable rentals. An average 2-bedroom, 2-bath apartment currently rents for about \$1,652 while the affordable payment for a 4-person low-income household is \$1,733.

## **E. Special Needs**

Certain groups have greater difficulty in finding decent, affordable housing due to special circumstances. Such circumstances may be related to one's employment and income, family characteristics, disability, or other conditions. As a result, some Lake Forest residents may experience a higher prevalence of overpayment, overcrowding, or other housing problems.

State Housing Element law defines "special needs" groups to include persons with disabilities, the elderly, large households, female-headed households with children, homeless people, and farm workers. Many households within these special needs groups also fall within the extremely-low-income category. This section contains a discussion of the housing needs facing each of these groups.

### **1. Persons with Disabilities**

In 2000, approximately 3,365 people between the 16 and 64 years of age, or about 8% of the working age population, reported a work-related disability (see Table II-21). Of those aged 65 and over, 1,210 (24%) reported some form of physical disability. Included within these disabilities are persons whose disability hinders their ability to go outside the home (3.8% of the working age population and 17.9% of the senior population). Housing opportunities for the handicapped can be maximized through housing assistance programs and providing universal design features such as widened doorways, ramps, lowered countertops, single-level units and ground floor units.

The City's Reasonable Accommodation Ordinance, adopted in 2002, helps to address the needs of disabled persons through simplifying the process for obtaining approvals and permits for modifications to City regulations and building standards.

In addition, a variety of programs encourage affordable housing opportunities and respond to the needs of the disabled. These include Program 3 – Facilitate Affordable Housing Production, Program 5 – Expedited Project Review, Program 6 – Second Units, Program 7 – Transitional Housing, Program 8 – Orange County Fair Housing Council, Program 9 – Coordination With Social Service Agencies, Program 10 – Section 8 Rental Assistance, Program 11 – Conservation of Existing and Future Affordable Units, Program 12 – Accommodations for Special Needs Population in New Developments, Program 17 – Staff Education, and Program 18 – Community Education.

**Table II-21**  
**Persons with Disabilities by Age Group**

Disability by Age	Disabilities	%
Age 5 to 15 - total persons <sup>1</sup>	10,004	--
With a sensory disability	35	0.3%
With a physical disability	62	0.6%
With a mental disability	329	3.3%
With a self-care disability	58	0.6%
Age 16 to 64 - total persons <sup>1</sup>	43,652	--
With a sensory disability	580	1.3%
With a physical disability.	1,364	3.1%
With a mental disability	945	2.2%
With a self-care disability	390	0.9%
With a go-outside-the-home disability	1,643	3.8%
With an employment disability	3,365	7.7%
Age 65 and over - total persons <sup>1</sup>	5,051	--
With a sensory disability	700	13.9%
With a physical disability.	1,210	24.0%
With a mental disability	559	11.1%
With a self-care disability	357	7.1%
With a go-outside-the-home disability	904	17.9%

Source: 2000 Census, SF3 Tables P8 and P41

Note: Numbers in shaded rows represent persons, not disabilities. Persons may report more than one disability

## 2. Elderly

In 2000, there were 2,201 households in Lake Forest where the householder was 65 or older (Table II-22). Of these, 197 persons were below the poverty level in 1999<sup>9</sup>. Many elderly persons are dependent on fixed incomes and/or have a disability. Elderly homeowners may be physically unable to maintain their homes or cope with living alone. The housing needs of this group can be addressed through smaller units, second units on lots with existing homes, shared living arrangements, congregate housing and housing assistance programs.

In particular, the following programs described in the Housing Action Plan (Chapter V) help to address the housing needs of the elderly: Program 3 – Facilitate Affordable Housing Production, Program 5 – Expedited Project Review, Program 6 – Second Units, Program 7 – Transitional Housing, Program 11 – Coordination With Social Service Agencies, Program 12 – Section 8 Rental Assistance, Program 13 – Conservation of Existing and Future Affordable Units, Program 14 – Accommodations for Special Needs Population in New Developments, Program 15 – Owner-Occupied Rehabilitation, Program 19 – Staff Education, and Program 20 – Community Education.

<sup>9</sup> 2000 Census, SF3 Table DP-3

**Table II-22**  
**Elderly Households by Tenure**

Householder Age	Owners		Renters	
	Households	%	Households	%
Under 65 years	12,221	85%	5,194	91%
65 to 74 years	1,169	8%	234	4%
75 to 84 years	778	5%	136	2%
85 and over	254	2%	138	2%
Total households	14,422	100%	5,702	100%

Source: 2000 Census, SF3 Table H14

### 3. Large Households

Household size is an indicator of need for large units. Large households are defined as those with five or more members. Among both owners and renters, about half of all households have only one or two members. About 12% of renter households had five or more members, while about 14% of owners were large households (Table II-23). This distribution indicates that the need for large units with four or more bedrooms is expected to be significantly less than for smaller units. Also, in comparison to the county as a whole, Lake Forest has significantly fewer large renter households (12% city vs. 20% county).

**Table II-23**  
**Household Size by Tenure –**  
**Lake Forest vs. Orange County**

Household Size	Lake Forest				Orange County			
	Owners		Renters		Owners		Renters	
	Households	%	Households	%	Households	%	Households	%
1 person	2,452	17%	1,503	26%	106,942	19%	90,605	25%
2 persons	4,526	31%	1,663	29%	186,108	32%	92,862	26%
3 persons	2,537	18%	1,076	19%	95,344	17%	56,663	16%
4 persons	2,827	20%	735	13%	97,638	17%	48,939	14%
5 persons	1,223	8%	300	5%	46,614	8%	30,341	8%
6 persons	467	3%	181	3%	20,447	4%	17,649	5%
7+ persons	390	3%	244	4%	21,100	4%	24,035	7%
Total households	14,422	100%	5,702	100%	574,193	100%	361,094	100%

Source: 2000 Census, SF3 Table H17

The following programs described in the Housing Action Plan (Chapter V) help to address the housing needs of large households: Program 3 – Facilitate Affordable Housing Production, Program 5 – Expedited Project Review, Program 12 – Section 8 Rental Assistance, Program 13 – Conservation of Existing and Future Affordable Units, Program 15 – Owner-Occupied Rehabilitation, Program 19 – Staff Education, and Program 20 – Community Education.

#### 4. Female-Headed Households

Of the 20,124 households in the City, 9.4% or 1,888 were headed by a female (Table II-24). While female-headed households represent a small portion of households, they make up a significant portion of households that are below the poverty level.

**Table II-24**  
**Household Type by Tenure**

Household Type	Owners		Renters	
	Households	%	Households	%
Married couple family	9,743	68%	2,250	39%
Male householder, no wife present	503	3%	480	8%
<b>Female householder, no husband present</b>	<b>1,025</b>	<b>7%</b>	<b>863</b>	<b>15%</b>
Non-family households	3,151	22%	2,109	37%
Total households	14,422	100%	5,702	100%

Source: 2000 Census, SF3 Table H19

The following programs described in the Housing Action Plan (Chapter V) help to address the housing needs of female-headed households: Program 1 – Land Use Entitlements, Program 1a – Financial and Regulatory Assistance, Program 3 – Facilitate Affordable Housing Production, Program 5 – Expedited Project Review, Program 6 – Second Units, Program 8 – Transitional Housing, Program 11 – Coordination With Social Service Agencies, Program 12 – Section 8 Rental Assistance, Program 13 – Conservation of Existing and Future Affordable Units, Program 14 – Accommodations for Special Needs Population in New Developments, Program 15 – Owner-Occupied Rehabilitation, Program 19 – Staff Education, and Program 20 – Community Education.

#### 5. Farm Workers

Farm workers are traditionally defined as persons whose primary income is from seasonal agricultural work. Historically, Orange County's economy was linked to agriculture. While there are still active farming areas on the Irvine Ranch and in some other cities, shifts in the local economy to production and service-oriented sectors have significantly curtailed agricultural production within the County. Today, Orange County is a mostly developed urban/suburban region with a strong local economy. Although the County is increasingly capturing major employers in Southern California, this growth is not tied to an agricultural base.

The 2000 Census reported about 3,000 persons employed in agricultural occupations in Orange County. Less than 1% of the County's farm workers live in Lake Forest (Table II-25).

**Table II-25**  
**Agricultural Employment**

	Lake Forest	% of County Total	Orange County
Workers	26	0.9%	3,023

Source: 2000 Census, SF3 Table P50



The City of Lake Forest has a single agricultural operation, the 90-acre Nakase nursery located south of SR 241 between Lake Forest Drive and Bake Parkway. The nearest major agricultural area to the City of Lake Forest is on the Irvine Ranch, a few miles to the northwest. Since 2000, some agricultural areas in Orange County have been developed, therefore it is estimated that the number of active farm workers in the County is likely somewhat lower than reported in the 2000 Census. In addition, it is possible (although statistics are not available) that a number of active farm workers are not full-time residents of Orange County, and migrate into the area depending on seasonal crop harvest. Such farm workers may find temporary housing by living with relatives, or short-term rental of a single unit for several families, resulting in overcrowded conditions. However, because there is only one agricultural operation within Lake Forest, there is no a significant need for permanent farm worker housing.

## **6. Homeless Persons**

Throughout the country, homelessness has become an increasing problem. Factors contributing to the rise in homelessness include: the general lack of housing affordable to low and moderate income persons; increases in the number of persons whose incomes fall below the poverty level; reductions in public subsidy to the poor; and the de-institutionalization of the mentally ill.

### **Definitions of Homelessness**

The Stewart B. McKinney Homeless Assistance Act (42, U.S.C. 1130, et seq. 1994) defines a "homeless" person as an individual who lacks a fixed, regular, and adequate nighttime residence, or an individual whose primary nighttime residence is:

- a. A supervised publicly or privately operated shelter designed to provide temporary living accommodations;
- b. An institution that provides a temporary residence for individuals intended to be institutionalized;
- c. A public or private place not designed for, or ordinarily used as, regular sleeping accommodations for human beings.

The McKinney-Vento Act (§725(2); 42 U.S.C. 11435(2)) defines a person "at-risk" of becoming homeless as an individual who faces imminent eviction (within a week) from a private dwelling or institution and who has no subsequent residence or resources to obtain housing. People are also at risk of homelessness when they experience a sudden drop in income, a rise in housing costs, and/or they do not have the skills necessary to manage their limited resources. According to the National Coalition for the Homelessness (NCH), most individuals at risk of homelessness are on a fixed income or are marginally employed and have few ties to family and friends.

### **Profiles of the Homeless Population in Orange County and Lake Forest**

The County of Orange Housing and Community Services Department undertakes an annual estimate of the County's homeless population as part of its application for

homeless assistance grant funds to HUD. The most recent point-in-time survey conducted in January 2007, estimated that there were 35,065 annual incidents of homelessness in Orange County<sup>10</sup>. The 2007 survey did not provide an estimate of the homeless population in Lake Forest. While County staff involved with homeless issues could not provide an estimate of the City's current homeless population, the City of Lake Forest Police Services Department indicates that the homeless population within Lake Forest on any given night is approximately 10 individuals<sup>11</sup>.

The needs of the homeless vary by subpopulation. Mentally ill persons require housing supported by mental health care and counseling. Alcohol and drug abusers require treatment facilities and medical and social support services. Victims of domestic violence need shelter and social services to assist in the transition to independent living. Runaway and recently emancipated youths require shelter, combined with counseling and social services to reintegrate them with their families or enable them to live independently.

While the City's homeless population is observed to be minimal, homelessness is a regional issue and should be addressed from a regional perspective. Specifically, the lack of affordable housing throughout Orange County contributes to the rising number of homeless persons in the County. In May 2004, OC Partnership conducted a survey of 448 homeless/former homeless persons regarding demographics and their housing and service needs. Some of the more salient findings are as follows:

- Over 45% of respondents were part of a family with children
- Over 75% of respondents reported income well below poverty line
- Almost half of the respondents had multiple episodes of homelessness
- Almost 25% indicated their episode(s) of homelessness was a result of a lack of affordable housing in the Orange County region
- The most prevalent reasons given for leaving an emergency or transitional housing facility were time limits, the lack of available beds, and not wanting to be separated from their partner/family

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<sup>10</sup> Data is from 2007 Point-in-Time Count and Survey of the Homeless, conducted by The Social Science Research Center at California State University Fullerton. The 35,065 figure is the sum of 10,520 "single adult" homeless and 24,545 "persons in homeless families with children."

<sup>11</sup> Personal communication with James Wren, Police Services Division, 7/7/09

**Table II-26**  
**Homeless Population in Orange County**

Homeless Population	Sheltered		Unsheltered	Total
	Emergency	Transitional		
1. Homeless Individuals	1,169 (N)	787 (N)	8,544 (E)	10,500
2. Homeless Families with Children <sup>12</sup>	76 (E)	384 (E)	8,290 (E)	8,750
2a. Persons in Homeless Families with Children	214 (N)	1,074 (N)	23,211 (E)	24,499
Total (lines 1 + 2a)	1,383	1,861	31,755	34,999
Homeless Subpopulations	Sheltered		Unsheltered	TOTAL
1. Chronically Homeless <sup>13</sup>	958 (A)		6,908 (A)	7,866
2. Severely Mentally Ill	51 (A)		2,167 (E)	2,218
3. Chronic Substance Abuse	1,018 (A)		5,310 (E)	6,328
4. Veterans	0 (A)		471 (E)	471
5. Persons with HIV/AIDS	33 (A)		1,996 (E)	2,029
6. Victims of Domestic Violence	375 (A)		6,613 (N)	6,988
7. Youth/Emancipated Youth	79 (A)		413 (E)	492

Source: County of Orange, 2004 Continuum of Care Application

Note: (A) Administrative Records (N) Enumerations (S) Statistically Reliable Sample (E) Estimates

### Inventory of Homeless Shelters and Transitional Housing Facilities

The facility and service needs of homeless families and individuals generally include emergency shelter, transitional housing, supportive services such as job training and counseling, and mental and general health services.

- **Emergency Shelters** – Emergency shelters are generally geared toward providing immediate housing to persons without shelter. Stays in emergency shelters are typically limited to a short period of time (1 to 90 days). Several service agencies located near Lake Forest provide emergency shelter and services for the homeless in south Orange County. These shelters and services are identified in Table II-27. The number of beds listed represents total shelter capacity – none of the shelter beds are restricted for Lake Forest's homeless. Based on this data, there are 129 emergency shelter beds available to serve the City.
- **Transitional Housing** – Transitional housing is an important component for assisting homeless individuals and families to become self-sufficient. As with emergency shelter facilities many transitional housing programs that serve Lake Forest's homeless are located in neighboring communities. Transitional housing facilities that serve Lake Forest's homeless are identified in Table II-28. The number of beds listed represents total shelter capacity – none of the shelter beds are restricted for Lake Forest's homeless. Based on this data, there

<sup>12</sup> In order to ensure consistency all current inventory (i.e., "Shelter") Orange County collects data on an individual or shelter bed basis. To estimate the number of homeless families with children, individual/shelter Bed tallies are divided by 2.8 (i.e., the estimated number of persons per family).

<sup>13</sup> Chronically Homeless "Sheltered" figure includes 51 "Sheltered" individuals included in Part 2, Row 2 ("Severely Mentally Ill").

are approximately 185 transitional housing beds available to serve the City of Lake Forest.

The City has provided CDBG funding to two non-profit organizations that between them have purchased nine condominiums for transitional and affordable housing (each with 25-year covenants). These condominiums that were separately purchased within a five-year duration continue to offer transitional and affordable housing to extremely-low-income residents and will continue to do so until 2022–2026. Supportive services that are provided to residents include weekly case management counseling, weekly budget/financial counseling, child care assistance to attend counseling, education supplies assistance, employment supplies/tools assistance, health care payment assistance, permanent housing placement assistance, legal assistance (as available), life-skills training, weekly children's program that addresses self-esteem/social skills/coping skills/values & beliefs/peer pressure/anger management/self-care and identifying social networks.

**Table II-27**  
**Emergency Shelters Serving Lake Forest**

Shelter Name	Location <sup>1</sup>	No. of Beds	Services	% of Beds/Services for Chronic Homeless
CSP Youth Shelter	Laguna Beach	6	Emergency housing, support and family reunification services	0%
Cold Weather Shelter	Laguna Beach	40	Emergency housing during winter months	100%
Friendship Shelter	Laguna Beach	3	Emergency housing and support services	100%
Gilchrist House	San Clemente	10	Emergency housing and supportive services for women and children	20%
Human Options	Irvine	40	Emergency housing and support services for victims of domestic violence	15%
Laura's House	San Clemente	30	Emergency housing and support services for victims of domestic violence	15%

Source: County of Orange Housing and Community Services Department

1. Location may be administrative office and not location of shelter facility.

2. Beds only available during winter months

**Table II-28**  
**Transitional Housing Facilities Serving Lake Forest**

Shelter Name	Location <sup>1</sup>	No. of Beds	Services	% of Beds/Services for Chronic Homeless
Families Forward	Irvine	13	Transitional housing and supportive services for families	10%
Friendship Shelter	Laguna Beach	26	Transitional housing and supportive services for single adults	30%
Henderson House	San Clemente	24	Transitional housing for single adults recovering from substance addiction	30%
Hope's House	Aliso Viejo	10	Transitional housing and supportive services for women with infants	30%
Gilchrist House	San Clemente	16	Transitional housing and supportive services for women and children	25%
Kathy's House	San Juan Capistrano	12	Transitional housing & support services for victims of domestic violence	25%
Laura's House	San Clemente	8	Transitional housing and support services for victims of domestic violence	15%
South County Community Outreach	Lake Forest	56 to 73	Transitional housing (17 housing units)* & support services for families	25%
Toby's House	Capistrano Beach and Mission Viejo	15	Transitional housing for pregnant women and infants	0%

Source: County of Orange Housing and Community Services Department

\* 8 of these transitional housing units are located within Lake Forest.

1. Location may be administrative office and not location of shelter facility.

A network of nonprofit organizations operates emergency shelter facilities, transitional housing facilities, and permanent supportive housing facilities within the County. Based on the homeless profile developed by the County of Orange and the capacity of facilities/service offered, an existing need has been identified for nearly 14,500 emergency shelter beds, 17,000 additional transitional beds, and 106,000 permanent supportive housing units countywide.<sup>14</sup> The gap analysis also revealed that need for more than 223,000 supportive service slots.

While it is difficult for the City to assess the exact number of its homeless population, as evidenced by the lack of city-by-city data gathered from the 2007 Point-In-Time Survey, the City has annually provided assistance through CDBG funds to identified extremely-low-income persons, female head of households, the disabled, and elderly by contracting for social services by non-profit organizations. These services have included the following: emergency housing/shelter (South County Outreach and Families Forward), food distribution (South County Outreach and Families Forward), primary health care services to the indigent or non-insured (Camino Health Services and Laguna Beach Community Clinic), senior case-management services and home-delivered meals (South County Senior Services), support services for the disabled (Dayle McIntosh Center) and before-and-after school youth programs (Saddleback Valley Unified School District) for extremely low and low income families. While individual services may vary in any given

<sup>14</sup> City of Lake Forest 2005-2010 Consolidated Plan, Section 2.2.5 Continuum of Care Gap Analysis.

year based on priorities and funding availability, the City anticipates that these general categories of supportive services will continue in partnership with various non-profits.

## F. Assisted Housing at Risk of Conversion

This section identifies all residential projects in the City that are under an affordability restriction, along with those housing projects that are at risk of losing their low-income affordability restrictions within the ten-year period 2008 – 2018. This information is used in establishing quantified objectives for units that can be conserved during this planning period. The inventory of assisted units includes all units that have been assisted under any federal Department of Housing and Urban Development (HUD), state, local and/or other program.

### 1. Inventory of Assisted Units

Table II-29 shows assisted units with covenants that require rents to be maintained at affordable levels for various agreed upon periods of time.

### 2. Units at Risk

None of the assisted units in the City are at risk during the current planning period.

**Table II-29**  
**Inventory of Assisted Units**

Project Name	Address	Affordable Units	Duration of Affordability
CATEGORY 1			
1. Trabuco Woods Apts.	27159 Rimhurst Drive	72 total units; 15 affordable units	Bond maturity is approx. 2028.
2. Westridge Apts.	26571 Normandale Drive	Combined 390 total units; 78 affordable units	
3. Vintage Woods Apts.	26356 Vintage Woods Road	total units equal 251 (328 total units; 65 affordable units)	
4. Emerald Court Apts.	21142 Canada Road	288 total units; 57 affordable units	
5. Spring Lakes Apts.	21641 Canada Road	180 total units; 36 affordable units	
CATEGORY 2			
7. Alexan Bellecour	21041 Osterman Road	6 (131 total units)	Approximately 2018

Project Name	Address	Affordable Units	Duration of Affordability
<b>CATEGORY 3</b>			
8. AFH Affordable Housing Condo Unit	20927 Serrano Creek Road	1	1999 - 2024
9. SCO Transitional Housing Condo Unit	23240 Orange Avenue #4	1	1997 - 2022
10. SCO Transitional Housing Condo Unit	23238 Orange Avenue #3	1	1998 - 2023
11. SCO Transitional Housing Condo Unit	23254 Orange Avenue #1	1	1999 - 2024
12. SCO Transitional Housing Condo Unit	23288 Orange Avenue #5	1	1999 - 2024
13. SCO Transitional Housing Condo Unit	23220 Orange Avenue #1	1	2000 - 2025
14. SCO Transitional Housing Condo Unit	26144 Serrano Court #19	1	2000 - 2025
15. SCO Transitional Housing Condo Unit	23240 Orange Avenue #9	1	2001 - 2026
16. SCO Transitional Housing Condo Unit	20702 El Toro Rd., #35	1	2001 - 2026

**Notes:****CATEGORY 1**

Each of the first 5 apartment complexes have received bond funding from the County that include affordability covenants for 30 years with an approximate maturity date of 2028. Within each complex, 20% of all units are reserved for affordable housing. Of these 20% of units, 50% are for low and 50% are for very low income households. There are a total of 251 affordable units among the 5 complexes.

All 5 apartment complexes have similar regulatory agreements. Therefore, although bond maturity dates are 2028, it is possible that property owners could pre-pay bond funding. However, under the bond documents, it appears that the earliest a property owner can pay off the bonds would be 2013; meaning, each of the 5 complexes would continue to provide low/very low housing for at least approximately 6 more years. Although these are covenanted units, the covenants are in favor of the County. Consequently, the County monitors and regulates these units.

**CATEGORY 2**

In 2001, the Redevelopment Agency entered into agreement with Trammel Crow to reserve 6 affordable units as part of the 131 apartment complex development. The complex known as Alexan Bellecour, located on Osterman, is required to make the 6 units available for affordable occupancy for a term of 15 years from the date of the final Certificate of Occupancy for these units. The units remain affordable until approximately 2018. Of the 6 affordable units, 4 are for low income and 2 are for moderate income. Unlike the 291 units in Category 1, the covenant for these 6 Alexan Bellecour units are in favor of the Agency. This complex is referenced on the Table for "Housing Element Program Evaluation 2001 – 2007" under 1a.

**CATEGORY 3**

There are 8 transitional housing units and 1 affordable unit that has received CDBG funding from the City, and are required to be affordable to very low or low income households for 25 years from the date the covenants were first agreed upon. Transitional housing units are generally occupied for 6 – 18 months by income qualified households while the households work toward independent living. Under the covenant for the affordable unit, the occupant(s) in that unit may remain in the unit as long as he or she continues to qualify as an affordable household. The 1 affordable unit may continue to be rented by the same tenant(s) as long as the tenant(s) continue to qualify as a very low or low income household. These covenants are in favor of the City and with the assistance of an independent accounting firm, are monitored annually to ensure the households continue to qualify as affordable. Although initial acquisition for some of these units pre-date the 2001 – 2007 reporting period, all are providing affordability during the reporting period.

## G. Future Housing Needs

### 1. Overview of the Regional Housing Needs Assessment

The Regional Housing Needs Assessment (RHNA) is a key tool for local governments to plan for anticipated growth. The RHNA quantifies the anticipated need for housing within each jurisdiction for the 8½-year period from January 2006 to July 2014. Communities then determine how they will address this need through the process of updating the Housing Elements of their General Plans.

The current RHNA was adopted by the Southern California Association of Governments (SCAG) in July 2007. The future need for housing is determined primarily by the forecasted growth in households in a community. Each new household, created by a child moving out of a parent's home, by a family moving to a community for employment, and so forth, creates the need for a housing unit. The housing need for new households is then adjusted to maintain a desirable level of vacancy to promote housing choice and mobility. An adjustment is also made to account for units expected to be lost

due to demolition, natural disaster, or conversion to non-housing uses. The sum of these factors – household growth, vacancy need, and replacement need – determines the construction need for a community. Total housing need is then distributed among four income categories on the basis of the county's income distribution, with adjustments to avoid an over-concentration of lower-income households in any community.

## 2. 2006-2014 Lake Forest Growth Needs

In July 2007 SCAG, adopted the final RHNA growth needs for each of the County's cities plus the unincorporated area. The total housing growth need for the City of Lake Forest during the 2006-2014 planning period is 29 units. This total is distributed by income category as shown in Table II-30. While not explicitly addressed in the RHNA, state law<sup>15</sup> now requires the Housing Element to estimate the future needs of extremely-low-income households. As provided by state law, the extremely-low-income need is estimated to be 50% of the very-low category, or 3 units during this planning period.

**Table II-30**  
**Regional Housing Growth Needs**

Very Low*	Low	Moderate	Above Mod	Total
6	5	6	12	29
20.7%	17.2%	20.7%	41.4%	100.0%

Source: SCAG 2007

\*Includes extremely-low households, estimated to be one-half the very-low need (3 units)

All new units built or preserved after January 1, 2006 may be credited against the RHNA period. A discussion of the City's net remaining growth need is provided in the land inventory section of Chapter III.

<sup>15</sup> California Government Code Sec. 65583(a)(1)



### **III. RESOURCES AND OPPORTUNITIES**

A variety of resources are available for the development, rehabilitation, and preservation of housing in the City of Lake Forest. This chapter provides an overview of the land resources and adequate sites to address the City's regional housing need allocation, and describes the financial and administrative resources available to support the provision of affordable housing. Additionally, the chapter discusses opportunities for energy conservation which can lower utility costs and increase the affordability of housing.

#### **A. Land Resources**

##### **1. Regional Growth Needs 2006 - 2014**

In accordance with *Government Code* §65584, projected housing needs for each city and county in the Southern California region are prepared by the Southern California Association of Governments (SCAG) under a process known as the Regional Housing Needs Assessment (RHNA). SCAG's Regional Council adopted the final Regional Housing Need Allocation in July 2007. The RHNA covers the 8.5-year planning period of January 1, 2006 to June 30, 2014.

The RHNA process began with an update of the population, employment and household forecasts for both the region as a whole and for each county. These forecasts were largely derived from Department of Finance (DOF) population and employment forecasts and modified by regional demographic and modeling efforts by SCAG. SCAG then disaggregated the regional and county forecasts to each jurisdiction and estimated the number of dwelling units needed to achieve a regional target vacancy rates (2.3% owner-occupied and 5% rental) and to account for projected housing demolitions. The total housing needed in each jurisdiction was then distributed by income category (very low, low, moderate and upper income).

To avoid the over concentration of new lower-income households in jurisdictions with higher proportions of existing lower-income households (as required by State law), SCAG adjusted the percentage of households in each income category for each jurisdiction based on the 2000 Census income distribution within each jurisdiction and adjusting them to 110% of the county average. The final RHNA allocation for Lake Forest was discussed previously in Table II-30 (page II-30).

All new units built after January 1, 2006 are credited in the current RHNA period. Two new second units were completed during 2006-07 (Table III-1). Approved projects and sites with potential for housing development during this planning period are discussed in the following section and listed in Table III-2.

**Table III-1  
Net Remaining RHNA**

	Income Category					Total
	Ex. Low	Very Low	Low	Mod	Above Mod	
RHNA (total)	3	3	5	6	12	29
Units Built 2006-07	0	0	2	0	0	2
<b>RHNA (net remaining)</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>12</b>	<b>27</b>

Source: City of Lake Forest Development Services Dept., 2010

## 2. Inventory of Sites for Housing Development

Section 65583(a)(3) of the *Government Code* requires Housing Elements to contain an "inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites." A detailed analysis of potential development opportunities is provided in Appendix B and is summarized in Table III-2. The locations of these potential development sites are shown in Figure III-1.

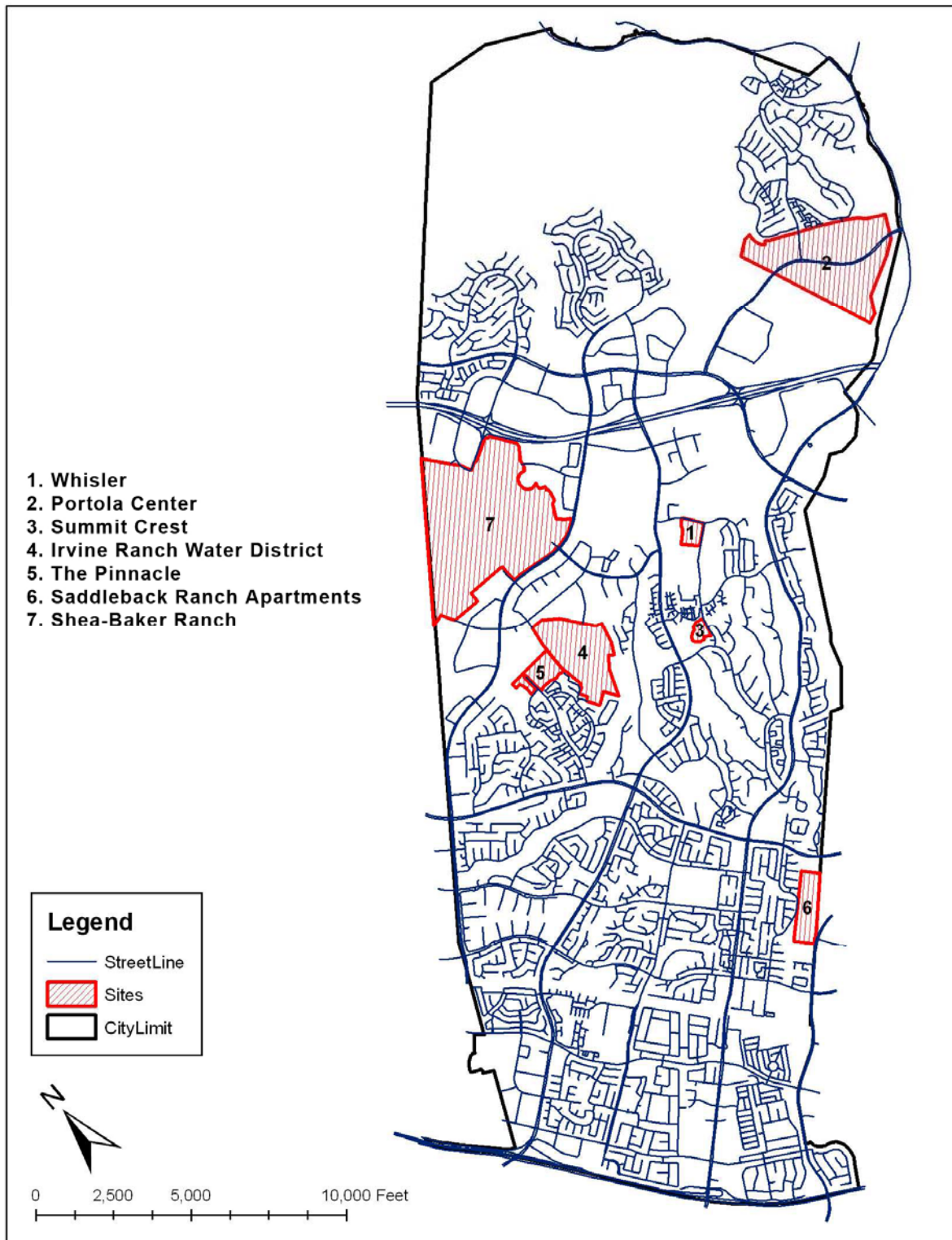
Although the "default density" for Lake Forest and most other cities in Orange County is 30 units per acre, past experience has demonstrated that affordable housing is feasible at a density in the range of 20 to 25 units per acre. As noted in Table A-2 in Appendix A, one new multi-family project, Bellecour Way (formerly called Alexan Bellecour), was built in Lake Forest during the prior planning period. That project was built at a density of 22 units per acre and included 6 deed-restricted affordable units, 4 low-income and 2 moderate-income. In addition, numerous other affordable projects at similar densities have recently been developed in Orange County (see Appendix B, Table B-1).

**Table III-2  
Residential Land Inventory – 2006-2014**

Site	General Plan	Zoning	Acreage	Location/APN	Description	Potential New Units
<b>Vacant Sites</b>						
Shea-Baker Ranch	LDR LMDR MDR MU	Residential Mixed Use (Baker Ranch PC)	319 51	North of Bake Parkway, south of SR-241, east of Borrego Canyon Wash	Affordable housing on-site pursuant to Opportunities Study DA and AHIP	1,957 - 2,815 total DU; minimum of 8.5% affordable or dedication of 6 acres for lower income housing. (166 – 239 affordable units depending on final unit count)
Portola Center	LDR MDR MU	SFR MDR MU (Portola Hills PC)	98 25 5 (243 total)	Generally located at Glenn Ranch Road/ Saddleback Ranch Road intersection	Affordable housing on-site pursuant to Opportunities Study DA and AHIP	930 total DU; minimum of 8.5% affordable (79 affordable units).
IRWD	MDR	R2/PD	82	104-132-36, 104-132-65 (portion)	Affordable housing pursuant to Opportunities Study DA and AHIP	608 total DU; minimum of 8.5% affordable (51 affordable units).
Pinnacle	LDR	MDR (Serrano Highlands PC)	18	610-204-01, 610-204-05	Payment of in-lieu fees for affordable housing pursuant to Opportunities Study DA	85 above-moderate
Whisler	LDR	RS-PD	13	104-180-04	Payment of in-lieu fees for affordable housing pursuant to Opportunities Study DA	70 above-moderate
Summit Crest	LDR	RS	6.1	Osterman Road n/ Pittsford Drive APN 613-571-06/07	TTM 16886 for new single-family residential subdivision; Payment of in-lieu fees for affordable housing allowed through AHIP	29 above-moderate
<b>Sites With Redevelopment Potential</b>						
Saddleback Ranch Apartments	MDR (25 du/ac max)	R2	34.15	613-351-05, 23139 Los Alisos Blvd.	Developed with 305 apartments. A portion of the site (approx. 12) acres is constrained by adjacent flood control facility.	Site could be developed at higher density under current GP and Zoning, yielding approx. 450 total units assuming a 16-acre constraint (flood zone and setbacks).
Second units	Varies	Varies				6 (one unit/year) assumed to be low income
<b>Totals</b>						<b>4,135 total units</b> 221 lower-income 1,181 moderate-income 2,733 above-moderate

Note: Opportunities Study Area new units estimated based on preliminary development plans.

**Figure III-1**  
**Residential Land Inventory**



When the City's land inventory, including projects approved, vacant sites and the potential development of underutilized parcels, is compared to the net remaining RHNA, there is a surplus of 212 lower-income sites, 1,175 moderate-income sites, and 2,721 above-moderate sites for this planning period (Table III-3). As discussed in the analysis of non-governmental constraints (Chapter IV), there are no infrastructure deficiencies that would preclude development of these sites. Chapter V (Housing Action Plan) contains Programs No. 1, 1a and 3 to encourage and facilitate the development of affordable housing units during the current planning period.

**Table III-3**  
**Land Inventory Summary**

	Income Category		
	Lower	Mod	Above
Vacant land	181	765	2,733
Underutilized land (includes 2 <sup>nd</sup> units)	40	416	0
Subtotal	221	1,181	2,733
RHNA (net 2008-2014)	9	6	12
<b>Surplus (Deficit)</b>	<b>212</b>	<b>1,175</b>	<b>2,721</b>

Source: City of Lake Forest Development Services Dept., 2010

## **B. Financial and Administrative Resources**

### **1. State and Federal Resources**

**Community Development Block Grant Program (CDBG)** - Federal funding for housing programs is available through the Department of Housing and Urban Development (HUD). The City's use of federal funds is described in the 2005-2010 Consolidated Plan. As an Entitlement City, Lake Forest participates in the Community Development Block Grant (CDBG) program. CDBG funds are used by the City to fund its Housing Rehabilitation Loan Program (*see Section B.2 Local Resources*). The Community Development Block Grant Allocation for year 2008 is \$478,551 and is expected to decrease slightly in future years. The City does not currently participate in other HUD programs such as HOME, Emergency Shelter Grant (ESG) or Housing Opportunities for Persons with AIDS (HOPWA).

**Section 8 Rental Assistance** - The City of Lake Forest works cooperatively with the Orange County Housing Authority, which administers the Section 8 Voucher Program. The Housing Assistance Payments Program assists low income, elderly and disabled households by paying the difference between 30% of an eligible household's income and the actual cost of renting a unit. According to the Orange County Housing Authority, a total of 192 tenant-based Section 8 vouchers are used in the City, and there are 141 applicants on the waiting list. The City facilitates use of the Section 8 program within its jurisdiction by encouraging apartment owners to list available rental units with the County Housing Authority for potential occupancy by tenants receiving Section 8 certificates.

**Low-Income Housing Tax Credit Program** - The Low-Income Housing Tax Credit Program was created by the Tax Reform Act of 1986 to provide an alternate method of funding low-and moderate-income housing. Each state receives a tax credit, based upon

population, toward funding housing that meets program guidelines. The tax credits are then used to leverage private capital into new construction or acquisition and rehabilitation of affordable housing. Limitations on projects funded under the Tax Credit programs include minimum requirements that a certain percentage of units remain rent-restricted, based upon median income, for a term of 15 years.

## **2. Local Resources**

### **a. Lake Forest Redevelopment Agency Set-Aside Funds**

#### **Housing Obligations of Redevelopment Agencies**

Since 1975, various legislative actions have amended California Redevelopment Law ("Redevelopment Law") in an effort to advance affordable housing for low- and moderate-income persons and households. As a result Redevelopment Law imposes certain requirements and obligations upon all redevelopment agencies. The requirements to promote and protect affordable housing provided for in Redevelopment Law fall into the following general categories:

1. The requirement that all redevelopment agencies set-aside at least 20% ("housing set-aside funds") of all tax increment revenue received from a redevelopment project area into a special fund to be used to increase and improve the community's supply of low- and moderate-income affordable housing.
2. The requirement that redevelopment agencies must spend their housing set-aside funds in the manner dictated by redevelopment law.
3. The requirement that for any redevelopment project area adopted after January 1, 1976, redevelopment agencies must ensure that at least 30% of all Agency-constructed or substantially rehabilitated housing and 15% of all privately-constructed or substantially rehabilitated housing developed within a redevelopment project area is reserved and made affordable to very-low-, low- and moderate-income households (of which, 50% of the 30% requirement and 40% of the 15% requirement must be for very-low-income households).<sup>16</sup> Units required to be produced and affordable to meet this requirement are commonly referred to as "inclusionary housing units".
4. The requirement that dwelling units occupied by low- to moderate-income persons destroyed by a redevelopment agency's actions must be replaced by the agency within four years.

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<sup>16</sup> After January 1, 2002, substantially rehabilitated dwelling unit means all units substantially rehabilitated with agency assistance. Prior to January 1, 2002, substantially rehabilitated dwelling units means substantially rehabilitated multi-family rental dwelling units with three or more units regardless of whether there is agency assistance, or single family units substantially rehabilitated with agency assistance.

5. The requirement that units assisted with housing set aside funds be covenanted to remain affordable for time periods provided for under Redevelopment Law.<sup>17</sup>
6. The requirement that all redevelopment agencies adopt and periodically (every five years) update a 10-year affordable housing production plan to ensure their compliance with the housing requirements of Redevelopment Law.
7. Housing set-aside funds may be used outside of a project area to improve and/or increase the community's supply of affordable low- and moderate-income housing if appropriate findings are made by the legislative body and redevelopment agency.

### **Lake Forest Redevelopment Agency and the El Toro Redevelopment Project Area**

The El Toro Redevelopment Project Area ("Project Area") is approximately 856 acres in size, and includes 3.3 miles of El Toro Road, extending from the I-5 Freeway northeast to Trabuco Road. A small portion of the Project Area (13 acres) is located on the south side of the I-5 Freeway within the City of Laguna Hills. The Project Area is generally bounded by El Toro Road on the north, Trabuco Road on the east, Los Alisos Boulevard, the Aliso Creek Channel, and Cherry Avenue on the south, and Interstate 5 freeway on the west.

The Project Area within Lake Forest was established by the County of Orange prior to the City's incorporation. On June 28, 1988, the Board of Supervisors of the County of Orange (the "Board of Supervisors") adopted Ordinance No. 3720, establishing a redevelopment plan, entitled the Development Plan ("NDAPP Plan") for the Orange County Neighborhood Development and Preservation Project Area (the "NDAPP Area").

At the time of adoption of the NDAPP Plan, the NDAPP Area was comprised of 14 separate and noncontiguous islands ("sub-areas") located within unincorporated portions of the County of Orange ("County"). These sub-areas were spread geographically across the County. Within the NDAPP Area, the sub-area referred to as the "El Toro Project" fell substantially within the unincorporated County territory that is now the City of Lake Forest.

In December 1991, the City of Lake Forest incorporated under the general laws of the State of California. To enable the City to gain control (from the County) of the El Toro Project Area, the City of Lake Forest established the Lake Forest Redevelopment Agency by adopting Ordinance No. 60 in September of 1995. The City also pursued special state legislation to allow the City to assume the Project Area from the County to facilitate the planning and revitalization of the Project Area.

In May 1996, pursuant to Section 33213 of Redevelopment Law, the Agency and the City of Laguna Hills entered into an agreement authorizing the Agency to redevelop the Laguna Hills portion of the El Toro Project Area. On June 30, 1998, pursuant to Sections

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<sup>17</sup> Units whose construction or substantial rehabilitation have been assisted with housing set-aside funds, or in cases where assistance is provided to a property owner directly to secure affordability covenants required such units to be reserved through written agreements for a term of not less than 45 years for ownership units and 55 years for rental units.

33213 and 33216 of Redevelopment Law, the Agency and the County entered into an agreement transferring the jurisdiction of the El Toro Project Area, a sub-area of the NDAPP, from the County to the Lake Forest Redevelopment Agency. Since that time the Project Area has been under the jurisdiction of the Lake Forest Redevelopment Agency.

The Project Area, at the time of formation, was substantially built out. It included a commercial core area located along both sides of El Toro Road and an area of mixed commercial and light industrial uses located on the east side of El Toro Road south of the railroad tracks. The area surrounding the commercial corridor and light industrial area is occupied by existing residential land uses made up of single-family and multi-family units and mobile homes. Since the Project Area's adoption in 1988, no new housing units have been built in the Project Area.

The Agency's 2004 Housing Compliance Plan has confirmed that no residential construction or substantial rehabilitation has occurred within the Project Area since adoption of the Plan. Therefore, the Agency has not incurred affordable housing unit production obligations (no inclusionary housing need to date). Additionally, since the adoption of the Project Area in 1988, no housing units occupied by very-low-, low- or moderate-income households have been destroyed nor is it expected that units will be destroyed in the future. Thus, the Agency has not incurred replacement housing obligations.

### **Housing Programs and Project Financing**

The agreement reached between the Agency and the County on the transfer of the Project Area to the City required certain amounts of tax increment revenues to be retained by the County from the Project Area to pay debt service on tax allocation bonds issued by the County prior to the transfer of the Area. Because of this it was not until 2001 that the Agency received any appreciable amounts of tax increment revenue to operate the Agency, to undertake implementation of revitalization or housing activities. Since that time, Project Area tax increment revenues have increased significantly. The Agency expects to be depositing between \$650,000 and \$1,000,000 of tax increment revenue annually to their housing set-aside fund for the next five years.

Redevelopment Law provides for limitations on how redevelopment agencies may use housing set aside funds. Specifically, Redevelopment Law was amended in 2002 to provide certain limits on the proportion of housing set-aside funds spent on qualified income groups. Redevelopment agencies must now spend their housing funds (over the 10-year compliance plan period) proportional to their housing unit needs as identified in the Housing Element or the Regional Housing Needs Allocation ("RHNA"). Table III-4 below details the proportional use of the Agency's housing set-aside funds over the term of the 2004-05 to 2013-14 Housing Compliance Plan.



**Table III-4**  
**Lake Forest Redevelopment Agency –**  
**Proportional Allocation of Set-Aside Funds per RHNA**

Income Category	Remaining Housing Need	Minimum Allocation of Housing Set-Aside Funds
Very low	73	70%
Low	7	7%
Moderate/Unrestricted*	25	24%
Total Units	105	100%

\*May be spent on very-low-, low, or moderate-income households

Redevelopment Law also limits the proportional amount of housing set-aside funds a redevelopment agency may spend on senior housing. For the time period covered by the Agency's 2004-05 to 2013-14 Housing Plan, the proportional amount of set-aside funds the Agency may spend on affordable housing for individuals 65 years of age or older is limited to the percentage of senior population to the community's population under 65 years of age.<sup>18</sup> According to the 2000 US Census the City of Lake Forest's population percentage of individuals 65 years of age or older is 8.6%.

### Housing Activities

The Agency in 2001 collaborated with Trammel Crow Residential (TCR) to provide new affordable housing units within the City of Lake Forest. The Agency and TCR entered into an Affordable Housing Agreement (the "Agreement") that secured the provision of six affordable housing units for a 15-year period. Of the six units restricted to maintain affordable rents, four one-bedroom units have been reserved for occupancy by low-income persons or families and two one-bedroom units reserved for occupancy by moderate-income persons or families. The project, now completed and occupied, is located on the north side of Osterman Road, between Normandale Drive and Pittsford. The complex is named Alexan Bellecour and consists of 131 apartment homes including one-bedroom flats and two- and three-bedroom townhomes, at a density of 22 units per acre. The Agency's housing set-aside funds ("Housing Fund") were utilized to fund the six affordable rental units.

In September 2007, TCR received a Tentative Tract Map approval for converting the Bellecour Way (formerly known as Alexan Bellecour) apartment development from rental to ownership units. Conditions on the Tentative Tract Map provide the following:

- The existing 6 affordable rental units (4 low-income and 2 moderate-income under current affordability Agreement) will remain affordable rentals until

<sup>18</sup> Section 33334.4 of Redevelopment was amended, effective in 2007 to alter and further restrict the limitation on funds spent on affordable housing for senior individuals. The Current Law provides, "Each agency shall expend over the duration of each redevelopment implementation plan, the moneys in the Low and Moderate Income Housing Fund to assist housing that is available to all persons regardless of age in at least the same proportion as the number of low-income households with a member under age 65 years bears to the total number of low-income households of the community as reported in the most recent census of the United States Census Bureau.

April 30, 2018 (consistent with the term of the current Agreement with TCR). On April 30, 2018, these rentals will change to for-sale affordable units for a total term of affordability coterminous with the other units (see below) proposed as for-sale "affordable" units. The new units would have to be sold at "affordable" prices.

- TCR proposes to provide 14 of the 131 units as affordable for-sale units; 6 low- and 8 moderate-income units. These 14 units will be sold at affordable prices, and secured by covenant for a 45-year period from the time of conversion or approval of Final Tract Map. These 14 units plus the original 6 units that were rental, and will subsequently change to for-sale, amount to a total of 20 affordable units at the complex.

As of July 2009, the property was still being rented as apartments and a Final Map to implement the condominium conversion had not been filed. If a final map is not approved and an extension of the tentative map is not granted, the existing tentative tract map will expire in September 2009.

The Agency is currently exploring development options and issues. One of the potential development options is to pursue a housing development that may include affordable units on surplus land that was acquired from the Orange County Transportation Authority. The property, a former train station site is undergoing review by the Agency. If the Agency moves forward to develop housing on the site (which is within the Project Area), the appropriate number of affordable housing units will be restricted pursuant to Redevelopment Law.

The Agency is also in preliminary discussions with the owner of an existing multi-family housing development to explore the potential of providing assistance to the owner to fund the substantial rehabilitation of the property or construction of new affordable housing units.

Other Agency housing activities that were recently funded with housing set-aside funds include an expanded Housing Rehabilitation Loan Program for single-family and multi-family properties and a targeted Neighborhood Improvement Program for housing units occupied by low- and moderate-income households.

Additionally, the Agency is cognizant of the fact that Redevelopment Law (Section 33334.2) provides that the Agency may expend its housing set-aside funds on the following activities, programs and projects.

- (1) Acquire real property or building sites.
- (2) (A) Improve real property or building sites with onsite or offsite improvements, but only if both (i) the improvements are part of the new construction or rehabilitation of affordable housing units for low- or moderate-income persons that are directly benefited by the improvements, and are a reasonable and fundamental component of the housing units, and (ii) the agency requires that the units remain available at affordable housing cost to, and occupied by, persons and families of extremely-low-, very-low, low-, or moderate-income for

the same time period and in the same manner as provided in subdivision (c) and paragraph (2) of subdivision (f) of Section 33334.3.

- (B) If the newly constructed or rehabilitated housing units are part of a larger project and the agency improves or pays for onsite or offsite improvements pursuant to the authority in this subdivision, the agency shall pay only a portion of the total cost of the onsite or offsite improvement. The maximum percentage of the total cost of the improvement paid for by the agency shall be determined by dividing the number of housing units that are affordable to low- or moderate-income persons by the total number of housing units, if the project is a housing project, or by dividing the cost of the affordable housing units by the total cost of the project, if the project is not a housing project.
- (3) Donate real property to private or public persons or entities.
  - (4) Finance insurance premiums pursuant to Section 33136.
  - (5) Construct buildings or structures.
  - (6) Acquire buildings or structures.
  - (7) Rehabilitate buildings or structures.
  - (8) Provide subsidies to, or for the benefit of, extremely-low-income households, as defined by Section 50106, very-low-income households, as defined by Section 50105, lower-income households, as defined by Section 50079.5, or persons and families of low- or moderate-income, as defined by Section 50093, to the extent those households cannot obtain housing at affordable costs on the open market. Housing units available on the open market are those units developed without direct government subsidies.
  - (9) Develop plans, pay principal and interest on bonds, loans, advances, or other indebtedness, or pay financing or carrying charges.
  - (10) Maintain the community's supply of mobile homes.
  - (11) Preserve the availability to lower income households of affordable housing units in housing developments that are assisted or subsidized by public entities and that are threatened with imminent conversion to market rates.

**Lake Forest Housing Rehabilitation Loan Program** – The Lake Forest Housing Rehabilitation Loan Program provides technical and financial assistance to qualifying households who are owner/occupants of single-family homes, condominiums, and mobile homes. The program is currently being funded with CDBG and Housing Set-Aside funds. The program's objectives are to remedy code violations, and generally repair and improve deteriorating properties in an effort to provide decent housing and a suitable living environment for persons and families of low and moderate income. Financial assistance is provided in the form of a zero percent interest deferred loan or a 3% interest loan. Mobile home owners are eligible to receive up to \$15,000 and homeowners are eligible to receive up to \$30,000.

**Southern California Housing Finance Agency (SCHFA) Mortgage Financing for First-Time Homebuyers.** – The SCHFA raises funds for mortgage financing through the sale of tax-exempt revenue bonds. The City cooperates with lenders and the County in advertising the availability of the SCHFA program.

## C. Energy Conservation Opportunities

State of California Energy Efficiency Standards for Residential and Nonresidential Buildings were established in 1978 in response to a legislative mandate to reduce California's energy consumption. The standards are codified in Title 24 of the California Code of Regulations and are updated periodically to allow consideration and possible incorporation of new energy efficiency technologies and methods. California's building efficiency standards (along with those for energy efficient appliances) have saved more than \$56 billion in electricity and natural gas costs since 1978. It is estimated the standards will save an additional \$23 billion by 2013<sup>19</sup>.

Title 24 sets forth mandatory energy standards and requires the adoption of an "energy budget" for all new residential buildings and additions to residential buildings. Separate requirements are adopted for "low-rise" residential construction (i.e., no more than 3 stories) and non-residential buildings, which includes hotels, motels, and multi-family residential buildings with four or more habitable stories. The standards specify energy saving design for lighting, walls, ceilings and floor installations, as well as heating and cooling equipment and systems, gas cooling devices, conservation standards and the use of non-depleting energy sources, such as solar energy or wind power. The home building industry must comply with these standards while localities are responsible for enforcing the energy conservation regulations through the plan check and building inspection processes.

Examples of techniques for reducing residential energy use include the following:

- **Glazing** – Glazing on south facing exterior walls allows for winter sunrays to warm the structure. Reducing glazing and regulating sunlight penetration on the west side of the unit prevents afternoon sunrays from overheating the unit.
- **Landscaping** – Strategically placed vegetation reduces the amount of direct sunlight on the windows. The incorporation of deciduous trees in the landscaping plans along the southern exposure of units reduces summer sunrays, while allowing penetration of winter sunrays to warm the units.
- **Building Design** – The implementation of roof overhangs above southerly facing windows shield the structure from solar rays during the summer months.
- **Cooling/Heating Systems** – The use of attic ventilation systems reduces attic temperatures during the summer months. Solar heating systems for swimming pool facilities saves on energy costs. Natural gas is conserved with the use of flow restrictors on all hot water faucets and showerheads.

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<sup>19</sup> California Energy Commission (<http://www.energy.ca.gov/title24>)

- **Weatherizing Techniques** – Weatherization techniques such as insulation, caulking, and weather stripping can reduce energy use for air-conditioning up to 55% and for heating as much as 40%. Weatherization measures seal a dwelling unit to guard against heat gain in the summer and prevent heat loss in the winter.
- **Efficient Use of Appliances** – Appliances can be used in ways that increase their energy efficiency. Unnecessary appliances can be eliminated. Proper maintenance and use of stove, oven, clothes dryer, washer, dishwasher, and refrigerator can also reduce energy consumption. New appliance purchases can be made on the basis of efficiency ratings.

In addition to the requirements of Title 24, the City encourages energy conservation through its land use planning policies. Lake Forest contains a mix of housing, employment, commercial, recreation, educational and other community facilities. Lake Forest is located within a jobs-rich portion of south Orange County giving the residents of the City access to a variety of jobs within a short driving distance. Other opportunities for energy efficiency include the following:

- Voluntary Green Building program for residential remodels
- Implementation of Citywide design guidelines
- Energy efficient improvements, including window replacement, are eligible for rehabilitation loan program
- The City's existing network of on- and off-road bicycle trails link residential areas to employment centers within Lake Forest and surrounding cities.



## IV. CONSTRAINTS

### A. Governmental Constraints

#### 1. Land Use Plans and Regulations

##### a. General Plan

Each city and county in California must prepare a comprehensive, long-term General Plan to guide its future. The land use element of the General Plan establishes the basic land uses and density of development within the various areas of the city. Under state law, the General Plan elements must be internally consistent and the city's zoning must be consistent with the General Plan. Thus, the land use plan must provide suitable locations and densities to implement the policies of the Housing Element.

The Lake Forest General Plan Land Use Element provides for five residential land use designations, as shown in Table IV-1.

**Table IV-1**  
**Residential Land Use Categories –**  
**Lake Forest General Plan**

Designation	Maximum Density*	Description
Very Low Density Residential (VLR)	2.0	Single family residential.
Low Density Residential (LR)	7.0	Single-family residential.
Low-Medium Density Residential (LMR)	15.0	Single-family detached and attached, duplexes, townhomes, condominiums and apartments.
Medium Density Residential (MR)	25.0	Multi-family, attached townhomes, condominiums and apartments.
High Density Residential (HR)	43.0	Multi-family, attached, townhomes, condominiums and apartments.

Source: City of Lake Forest General Plan.

\*Density expressed in dwelling units per net acre.

An additional designation, Mixed-Use (MU), provides opportunities for residential development in conjunction with commercial and/or office development. The mixed use designation can occur in areas where multiple activities and pedestrian orientation are considered desirable objectives. A maximum density of 25 dwelling units per net acre of land is allowed when residential development is combined with commercial or office development.

The City of Lake Forest General Plan is not considered to be a constraint to the goals and policies of the Housing Element as the City's zoning is consistent with the General Plan and adequate sites with appropriate densities have been identified to permit the construction of the City's fair share of new housing units for the 2006-2014 planning period (see Chapter III, Resources and Opportunities).

**b. Planned Communities**

Much of the land use in Lake Forest is based on pre-incorporation planning for nine large-scale Planned Communities (PCs). These PCs included Lake Forest, El Toro, Baker Ranch, Pacific Commercentre, Rancho de los Alisos, Rancho Serrano, Serrano Highlands, Foothill Ranch, and Portola Hills. Several of these PCs are also the subject of development agreements that identify the levels of development allowed. Future development in these areas must follow the PC Development Plans and related development agreements.

Many of the development standards found in the PCs mirror the R1 and RS zoning found in the City's Zoning Code. Two of the largest PCs, Lake Forest PC and Rancho De Los Alisos PC, allow for smaller and more flexible side yard setbacks and allow for cluster development. Several PCs include a "High Density Residential" or "Heavy Density Residential" zone which allow a variety of multi-family residential uses.

**c. Zoning Designations and Development Standards**

The City regulates the type, location, density, and scale of residential development through the Municipal Code. Zoning regulations serve to implement the General Plan and are designed to protect and promote the health, safety, and general welfare of residents. The Municipal Code also helps to preserve the character and integrity of existing neighborhoods. The Municipal Code sets forth residential development standards for each zoning district.

The five zoning districts that allow residential units as a permitted use are as follows:

<b>R1</b>	Single-Family Residence District
<b>RS</b>	Residential Single-Family District
<b>R2</b>	Multi-family Dwellings District
<b>R4</b>	Suburban Multi-family District
<b>RP</b>	Residential Professional District

A summary of the residential development standards for these zoning districts is provided in Table IV-2. These development standards continue to be viewed as reasonably necessary to protect the public health, safety and welfare and maintain the quality of life, and are not considered to be constraints on the development of housing.



**Table IV-2  
Residential Development Standards**

Development Standard	Zoning District Designations				
	R1	RS	R2	R4	RP
Maximum Density (du/ac) <sup>1</sup>	6	6	25	43	14.5
Minimum Lot Area (sq. ft.) <sup>2</sup>	7,200	7,000	7,200	7,200	7,200
Minimum Front Yard (ft.)	20	10	20	20	20
Minimum Side Yard (ft.)	5	A	5	5	5
Minimum Rear Yard (ft.)	25	0	25	25	25
Maximum Lot Coverage (%)	-	35	-	-	-
Maximum Building Height (ft.)	35	35	35	35	35

Source: Lake Forest Zoning Ordinance

A = 10 feet one side only or 10 feet total of 2 sides combined.

1. Density expressed in dwelling units per net acre.

2. The minimum lot area may be different from that specified by zoning district if so specified on the zoning district map

Densities range from six units per net acre in the R1 District to a maximum of 43 units per net acre in the R4 District, excluding potential density bonus.

Two additional zoning districts, the Planned Community (PC) District and the Planned Development (PD) District, allow residential development through discretionary actions.

### **Planned Community (PC) District**

The purpose of the Planned Community District is to provide the authority, regulations, and procedures whereby large land areas can be planned and developed as individual integrated communities. The City of Lake Forest contains nine PCs, all of which were originally approved prior to the City's incorporation. Each planned community establishes its own character with its own unique set of land use regulations, including zoning standards for residential areas. The Planned Communities within Lake Forest contain a variety of residential zoning districts and densities, ranging from large single-family detached homes to condos and apartments, thereby facilitating a variety of housing types for a variety of income levels.

### **Planned Development (PD) District**

The purpose of the Planned Development District is to produce planned development projects that take advantage of modern site planning techniques providing for better use of common areas and open space. The PD District is used in conjunction with a base district (e.g., R1, RS, etc.) to indicate the additional permitted uses and development standards associated with the PD. The PD results in flexibility by allowing development standards, including lot coverage, setbacks and building sizes, to be determined through approval of a Use Permit. The PD combining district therefore facilitates flexibility in residential zoning standards, which encourages a variety of housing types for a variety of income levels. Residential projects built with the PD District have included single-family and multi-family homes.

## Commercial Districts

While major residential projects are excluded, some types of special needs housing, such as congregate care facilities, are allowed in the General Business District (C2), and Community Commercial District (CC), through use permits or site development permits.

A summary of the residential development permitted by the City's Zoning Ordinance is provided in Table IV-3.

**Table IV-3**  
**Permitted Residential Development by Zoning District**

Housing Type Permitted	R1	RS	R2	R4	RP	C2	CC	M1
<b>Residential Uses</b>								
Single-Family Detached	P	P	P	P	P			
Single-Family Attached			P	P				
Duplex			P	P				
Multi-Family (4 or less units)			P	P	U			
Multi-Family (5 or more units)			SD	SD				
Manufactured Housing	P	P	P	P	P			
Mobile Home Parks	U	U	U	U	U			
Second Units <sup>1</sup>	P	P	P	P	P			
<b>Special Needs Housing</b>								
Community Care Facilities <sup>2</sup> (6 or fewer persons)	P	P	P	P	P			
Community Care Facilities <sup>2</sup> (7-12 persons)	U	U	U	U	U			
Congregate Care Facilities <sup>2</sup> (12 or more persons)			U	U		U	U	
Senior Housing (35 or more units)		SD <sup>3</sup>	SD <sup>3</sup>	SD <sup>3</sup>				
Single Room Occupancy						U	U	U

Source: Lake Forest Zoning Ordinance P = Permitted U = Use Permit SD = Site Development Permit

1. Second units are permitted in accordance with existing state law in any residential zone with an existing single-family home.

2. Definition of Community Care Facilities and Congregate Care Facilities includes Transitional Housing and Emergency Care Facilities.

3. Condominium projects require a use permit.

As shown in Table IV-3, the Zoning Ordinance provides for a variety of housing types including single-family homes, multi-family (both rental and condominiums), manufactured housing, mobile homes, and second units. Low-income housing can be accommodated in all residential districts. Second units, which can be an effective tool in facilitating affordable housing, are permitted by-right in any residential zone with an existing single-family home. The City has had very little vacant residential land during recent years, and only one attached housing development was built during the previous planning period – Bellecour Way (formerly called Alexan Bellecour). This project was built in the R2 district at 22 units/acre while the maximum density is 25 units/acre for R2 properties. The project's density near the maximum, along with its inclusion of low- and moderate-income units, confirms that the City's zoning standards do not pose an unreasonable constraint on multi-family housing development. Appendix B provides additional analysis demonstrating the feasibility of affordable housing in Orange County at densities of 20 to 25 units/acre.

**d. Special Needs Housing**

Persons with special needs include those in residential care facilities, persons with disabilities, the elderly, farm workers, persons needing emergency shelter or transitional living arrangements, and single room occupancy units. The City's provisions for these housing types are discussed below. Many of these households also fall into the extremely-low-income category.

**Residential Care Facilities**

Residential care facilities refer to any family home, group home, or rehabilitation facility that provides non-medical care to persons in need of personal services, protection, supervision, assistance, guidance, or training essential for daily living. The City of Lake Forest Zoning Ordinance refers to residential care facilities as "community care facilities". This definition includes childcare, medical, and non-medical care facilities. Community care facilities that serve six or fewer persons are permitted by-right in all residential districts. Facilities serving more than six persons are conditionally permitted in all residential zones by use permit. These requirements are consistent with state law and do not pose a significant constraint on the establishment of such facilities.

City regulations do not require any separation between care facilities or group homes beyond those established in state law.

**Housing for Persons with Disabilities**

The City's building codes require that new residential construction comply with the federal American with Disabilities Act (ADA). ADA provisions include requirements for a minimum percentage of units in new developments to be fully accessible to the physical disabled. Provision of fully accessible units may also increase the overall project development costs. However, unlike the UBC, enforcement of ADA requirements is not at the discretion of the City, but is mandated under federal law.

Compliance with building codes and the ADA may increase the cost of housing production and can also impact the viability of rehabilitation of older properties required to be brought up to current code standards. However, these regulations provide minimum standards that must be complied with in order to ensure the development of safe and accessible housing. In order to facilitate the processing of requests to reduce architectural obstacles for persons with disabilities, the City adopted a Reasonable Accommodations Ordinance in 2002 (Municipal Code Chapter 9.224). The ordinance includes the following provisions:

- Application procedures, including the accommodation requested and the basis for the request
- Review of applications for completeness by the Director of within five days of receipt
- Decision by the Director within 30 days of submittal of a complete application

- Procedures for requesting a Director's hearing or appeal to the Planning Commission

These provisions are consistent with state law and do not pose a constraint to reasonable accommodation for persons with disabilities.

City regulations do not require any separation between care facilities or group homes beyond those established in state law.

Parking standards comply with Building Code and ADA requirements for handicapped spaces. For single-family homes, requests to modify parking requirements for persons with disabilities are processed under the Reasonable Accommodations Ordinance.

### **Farm Worker Housing**

As discussed in Chapter 2 (Needs Assessment), the City of Lake Forest is not located within a major agricultural area and has no significant need for permanent on-site farm worker housing. The City's overall efforts to provide and maintain affordable housing opportunities will help to support the few seasonal farm workers that may choose to reside in the City.

### **Housing for the Elderly**

Senior housing projects (of 35 units or greater) are permitted in the R2, R4, and RS Districts subject to a site development permit. Senior condominium projects would require a use permit as do all condominiums in the City. The requirement for a site development permit is reasonable to ensure neighborhood compatible design and is not considered to be a constraint to the development of senior housing.

### **Emergency Shelters and Transitional Housing**

#### **Emergency Shelters**

California *Health and Safety Code* (§50801) defines an emergency shelter as "housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay."

SB 2 of 2007 strengthened the planning requirements for emergency shelters and transitional/supportive housing. For jurisdictions with an unmet need, emergency shelters must be allowed by-right in at least one zoning district. A program is included within this Housing Element (#9) to comply with the requirements of SB2. This program involves processing a Zoning Code Amendment to define emergency shelters and to ensure that these uses are allowed by-right in at least one zoning district. The City will amend the Municipal Code within one year of Housing Element adoption to include designation of at least one zone where shelters are permitted by-right. The proposed Code amendment will include specific development standards in conformance with the provisions of SB 2. Based on a preliminary assessment, the City has identified the Urban Activity zone within the Baker Ranch Planned Community and the Business Park zone within the Pacific

Commercentre Planned Community as appropriate districts for emergency shelters. Sites within this zone are located within walking distance of services and employment centers and are served by public transportation. The Urban Activity zone encompasses more than 380 acres of vacant land as well as over 250 acres of developed land; the Pacific Commercentre Business Park zone includes approximately 75 acres. While these zones have been preliminarily identified, further analysis will be required during the Code amendment and public review process and the City Council may identify a different district that is deemed more appropriate for emergency shelters. The proposed Code amendment will include the analysis and findings required by SB 2.

### **Transitional and Supportive Housing**

Transitional/supportive housing is normally temporary housing (generally six months to two years) for an individual or family who is transitioning to permanent housing. This type of housing can take several forms, including group housing or multi-family units, and often includes a supportive services component to allow individuals to gain necessary life skills in support of independent living.

SB 2 of 2007 provides that transitional/supportive housing is a residential use that shall be subject to the same standards and requirements as other residential uses of the same type in the same zone. Transitional housing in the City of Lake Forest may be classified as a community care facility or congregate care facility depending on the number of persons served. Transitional housing that serve six or fewer persons is permitted by-right in all residential districts. Transitional housing serving 7 to 12 persons is permitted in all residential districts by use permit. Transitional housing serving more than 12 persons is permitted in the R2, R4, C2, and CC districts by conditional use permit. Because these regulations differ in some respects from those that apply to conventional residential uses, Program 8 in the Housing Action Plan (Chapter V) contains a commitment to amend the Zoning Code regulations pertaining to transitional and supportive housing, in conformance with SB 2. As discussed in Section II-6, the City's practical experience with transitional housing involves providing funding to non-profit organizations which provide transitional housing to families in the form of a deed-restricted housing unit for a specified period of time to allow families to transition to permanent housing. Support of this type of transitional housing is anticipated to continue and would be unaffected by Program #8.

### **Single Room Occupancy**

Single room occupancy facilities are small studio-type units. The Zoning Ordinance defines SROs as follows:

*A building with a common entrance containing a cluster of at least five (5) rental units which provide sleeping and living facilities for one (1) or two (2) persons where kitchen and/or bathroom facilities may be shared. The units shall have a minimum of one hundred (100) net square feet of space for single occupancy and one hundred twenty (120) square feet for two-person occupancy. The calculation for floor space in the sleeping area includes built-in cabinets, sinks, and closets but excludes toilet compartments. A unit larger than two hundred*

*twenty five (225) square feet shall be deemed an efficiency dwelling unit and not a Single-Room Occupancy (SRO).*

SROs are not listed as a permitted or conditionally permitted use in any zoning district but have been interpreted to be similar uses as hotels/motels, which are allowed by use permit in the C2, CC, and M1 Districts. In order to clarify the City's policy regarding SROs, Program 7 is included in the Housing Action Plan (Chapter V) to amend the Zoning Code to provide specific development standards for SROs and to specify which zoning districts allow SROs.

#### e. Off-Street Parking Requirements

The City's parking requirements for residential uses vary by residential type. Single-family attached and detached dwellings require two covered parking spaces per unit. Multi-family dwellings require 1.5 parking spaces per studio and 1-bedroom units, 2 spaces for 2-bedroom units, and 0.5 additional spaces for each bedroom above two. The parking requirements are summarized in Table IV-4.

The required parking is typical for most cities in Orange County and is not considered to be a constraint on the production of affordable housing. It is widely accepted that seniors and low-income households have fewer cars on average than higher-income households. The Planning Commission has the ability to grant reduced parking for senior housing and other affordable housing projects in conjunction with a discretionary application if supported by an independently prepared parking study.

**Table IV-4**  
**Residential Parking Requirements**

Type of Unit	Minimum Parking Space Required
Attached or Detached Single-Family Dwellings	2 covered spaces per dwelling
Multi-family Dwellings (2 or more units on same site) <sup>1</sup>	
0 -1 Bedroom units	1.5 spaces per unit (1 space must be covered) <sup>2</sup>
2 Bedroom units	2.0 spaces per unit (1 space must be covered) <sup>2</sup>
3 or more Bedroom units	2.5 spaces per unit + 0.5 space for each bdr. above 3 (2 spaces/unit must be covered) <sup>2</sup>
Guest Parking	0.2 spaces per unit

Source: Lake Forest Zoning Ordinance Section 9.168.040(d)(2)

1. Alternative parking requirements based on unit side available for building sites containing five or more dwelling units.

2. Covered parking not required for multifamily projects of five or more dwelling units or "second" units.

#### f. Second Units

The development of second units is regulated by Section 9.146.050 of the Municipal Code. In response to state-mandated requirements and local needs, the City of Lake Forest allows for the development of second dwelling units by right (i.e., no discretionary approval required) in any residential district with an existing single-family residence on

site. The applicant must be an owner-occupant of an existing single-family dwelling on the lot. Second unit permits are approved administratively by the Director of Development Services. Permit review and approval typically is completed within 10 working days.

The following requirements apply to second unit construction:

- Allowed in any residential zone where an owner-occupied single-family dwelling currently exists
- Maximum 640 square feet of living area
- Must comply with all development standards for the zone where it is located
- One additional parking space required (covered or uncovered, tandem parking permitted)
- Compatible in materials, color and general architecture to the primary unit
- Either the primary unit or the second unit must be owner-occupied
- Second units may not be sold separately from the primary dwelling, but may be rented

Two new second unit permits were issued in 2006-07. Second units serve to augment resources for senior housing, or other low- and moderate-income segments of the population. The recent development of two second units confirms that City standards serve to encourage and facilitate these units and do not present an unreasonable constraint to development.

#### **g. Density Bonus**

Under new State density bonus law (SB 1818 of 2004), cities and counties must provide a density increase up to 35% over the otherwise maximum allowable residential density under the Municipal Code and the Land Use Element of the General Plan (or bonuses of equivalent financial value) when builders agree to construct housing developments with units affordable to low- or moderate-income households. Section 9.152.010 of the Municipal Code ("Affordable Housing or Senior Citizen Housing Incentive Use Permit") incorporates by reference the procedures for providing density bonus or other incentives in compliance with state law (*Government Code* §65915 et seq.).

#### **h. Mobile Homes/Manufactured Housing**

The manufacturing of homes in a factory is typically less costly than the construction of individual homes on site thereby lowering overall housing costs. State law precludes local governments from prohibiting the installation of mobile homes on permanent foundations on single-family lots. It also declares a mobile home park to be a permitted land use on any land planned and zoned for residential use, and prohibits requiring the average density in a new mobile home park to be less than that permitted by the Municipal Code. A city or county may, however, require use permits for mobile home parks.

In the City of Lake Forest, manufactured housing is allowed in all residential zones as a permitted use provided the installation complies with the site development standards for the applicable zoning district. Mobile home parks are also permitted in the R2 and R4 districts, but require a use permit. Mobile home development is regulated by Chapter 9.176 of the Municipal Code, which is designed to ensure that mobile home developments are compatible with other permitted uses in the district. The City of Lake Forest currently has four mobile home parks. The City recognizes these mobile home parks for their contribution to affordable housing and provides home rehabilitation loans to qualified mobile home owners through its Housing Rehabilitation Loan Program. The City's development standards for mobile homes are reasonable to ensure neighborhood compatibility, and do not present an unreasonable constraint to development.

#### **i. Condominium Conversions**

In order to ensure a variety of housing opportunities (ownership and rental) including low-density single-family homes, moderate-density townhomes, higher-density condominiums and mobile homes, the City's Municipal Code provides the following requirements for proposed condominium conversions:

1. A requirement for a condominium use permit approved by the City Council (if five or more units).
2. Compliance with the applicable standards and requirements of the zoning district in which the project is located.
3. The provision of a tenant purchase option.
4. The payment of relocation expenses of \$1,500 in 2006 dollars adjusted annually in accordance with the Consumer Price Index.
5. A requirement to submit an affordable housing implementation plan which incorporates a minimum of 15% affordable units (either rental or ownership).
6. A general prohibition on conversions (with specified overriding considerations) that becomes effective when the average rental vacancy rate within the City during the 12 preceding months is 4% or greater.

When a condo conversion is permitted, the increase in the supply of less expensive for-sale units helps to compensate for the loss of rental units. One condominium conversion has been approved since adoption of the condominium conversion standards. This demonstrates that the ordinance to regulate condominium conversions is reasonable to preserve rental housing opportunities, and does not present an unreasonable constraint on the production of ownership housing.

#### **j. Building Codes and Enforcement**

State law prohibits the imposition of building standards that are not necessitated by local geographic, climatic or topographic conditions and requires that local governments making changes or modifications in building standards must report such changes to the



Department of Housing and Community Development and file an expressed finding that the change is needed.

The City's building codes are based upon the California Building, Plumbing, Mechanical, Electrical and Fire Codes. These are considered to be the minimum necessary to protect the public's health, safety and welfare. No additional regulations have been imposed by the City that would unnecessarily add to housing costs.

As part of the City's Neighborhood Preservation efforts, code enforcement staff conducts periodic bulky-item pick-up campaigns where large appliances, furniture and mattresses are removed from garages or side yards, collected curbside and hauled away. Property maintenance is promoted through this program and it also serves to help preserve property values in low- to moderate-income neighborhoods. In addition, while code enforcement staff conducts health and safety code compliance inspections, the staff disseminates, as appropriate, valuable information regarding the City's Housing Rehabilitation Loan Program. The Loan Program provides funding to low- and moderate-income homeowners and assists in addressing housing and/or health and safety code compliance issues.

## **2. Development Processing Procedures**

### **a. Residential Permit Processing**

State Planning and Zoning Law provides permit processing requirements for residential development. Within the framework of state requirements, the City has structured its development review process in order to minimize the time required to obtain permits while ensuring that projects receive careful review.

All residential development is reviewed by City staff for zoning, building and fire code compliance prior to issuance of building permits. For most property in Lake Forest, new residential development with fewer than five units is permitted by right, provided the project adheres to the allowed density and development standards of the zone. Allowing smaller projects by right encourages the provision of affordable housing on smaller in-fill and underutilized lots within the older areas of the City. For projects with five or more units, a Site Development Permit must be approved by the Planning Commission. The discretionary process allows the project to be reviewed for appropriateness, scale, architecture, design, and compatibility with the surrounding area.

The Site Development Permit process includes the following steps:

1. Applicant submits application package including application, letter of justification, deposits, environmental information form, and 10 sets of plans. Some applicants also provide technical studies (e.g., traffic, geotechnical) at this time, if required.
2. Planning staff routes application for inter-departmental review and reviews application for planning issues. A first screencheck letter is issued to the applicant within 30 days of application pursuant to the Permit Streamlining Act.

3. Applicant submits responses to first screencheck letter as appropriate. There is no specified time limit for the applicant's resubmittal.
4. Planning staff repeats step 2 and either issues a letter deeming the project application complete and sets a date for a Planning Commission hearing, or issues a second screencheck letter requesting additional information from the applicant.
5. All residential projects are subject to CEQA review once a complete application is received. Staff prepares a Notice of Exemption or other appropriate CEQA document. If an EIR or Negative Declaration is required, an appropriate public review period occurs prior to the public hearing.
6. Once a public hearing date has been set, staff publishes public notices and prepares a staff report and resolution(s) of approval.
7. A public hearing is held before the Planning Commission.

The City of Lake Forest does not have a Design Review Board. Staff and the Planning Commission work with applicants to ensure high quality design.

Processing times vary and depend on the size and complexity of the project. Projects reviewed by the Planning Commission, including Site Development Permits, Tentative Parcel Maps, and Tentative Tract Maps, typically require between 3 to 12 months to process. Projects reviewed by the City Council, such as General Plan and Zoning Code amendments, typically require between 6 to 12 months to process.

The following findings must be made by the decision-making body in order to approve a Site Development Permit (LFMC Sec. 9.184.040.E):

- a. General Plan. The use or project proposed is consistent with the General Plan.
- b. Zoning Code. The use, activity or improvement(s) proposed by the application is consistent with the provisions of the Zoning Code.
- c. CEQA. The approval of the permit application is in compliance with the requirements of the California Environmental Quality Act.
- d. Compatibility. The location, size, design and operating characteristics of the proposed use will not create significant noise, traffic or other conditions or situations that may be objectionable, detrimental or incompatible with other permitted uses in the vicinity.
- e. General Welfare. The application will not result in conditions or circumstances contrary to the public health and safety and the general welfare.
- f. Development Fees for Provision of Public Facilities. One (1) of the following findings shall be made:
  - i. The property to which the permit applies is not located in a fee area.
  - ii. The permit would not allow development of a project which would contribute to the need for the facility for which a fee is required.

These findings are derived from State Planning and Zoning Law, ensure the orderly development of the community, help to prevent land use conflicts, and do not significantly impact approval certainty, timing or cost.

Certain steps of the development process are required by State rather than local laws. The state has defined processing deadlines to limit the amount of time needed for review of required reports and projects. In an effort to provide an efficient permit processing system, the City has implemented the following time and cost saving developmental processes:

- Prepared permit processing guidelines to assist residential builders in applying for development permits for single-family residences, multifamily residential developments and subdivisions.
- Located all City divisions involved in the permitting process - Planning, Engineering, Building, Public Works, Economic Development - in one central location.
- Encourage applicants to utilize the City's Zoning Confirmation process to ensure that a use is permitted on a particular property.
- Developed "early consultation" pre-application process to identify issues as soon as possible and reduce processing time, as determined on a case by case basis.
- Allow processing fees to be reduced, postponed or supplemented with housing funds for affordable projects meeting City priorities.
- Encourage concurrent processing of applications.

These procedures help to ensure that the development review process meets all legal requirements without causing a significant unwarranted constraint to housing development or affordability.

#### **b. Environmental Review**

Environmental review is required for all development projects under the California Environmental Quality Act (CEQA). Lake Forest has a number of environmental and development constraints due to its sensitive environmental resources and the City's commitment to preserving its open space and natural surroundings. Because of these environmental constraints, the larger planned residential projects have required the preparation of Environmental Impact Reports (EIRs). An EIR is required of all developments that have the potential of creating significant impacts that cannot be mitigated, which is highly typical of large projects. Some residential projects in Lake Forest are either Categorically Exempt or require only an Initial Study and Negative Declaration. A Negative Declaration typically takes four to six weeks to prepare, depending on complexity of the project and required technical studies, followed by a state-mandated public review period. Categorically Exempt developments require a minimal amount of time. As a result, environmental review does not pose a significant constraint to housing development.

### 3. Development Fees and Improvement Requirements

State law limits fees charged for development permit processing to the reasonable cost of providing the service for which the fee is charged. Various fees and assessments are charged by the City and other public agencies to cover the costs of processing permit applications and providing services and facilities such as schools, parks and infrastructure. Almost all of these fees are assessed through a pro rata share system, based on the magnitude of the project's impact or on the extent of the benefit that will be derived.

Table IV-5 provides a listing of fees the City of Lake Forest and regional agencies charge for new, standard residential development (see Appendix D for regional impact fees). The rates charged by the City are inclusive and based on standardized unit sizes. Development fees will vary from project to project depending on the specific characteristics. Table IV-6 and Table IV-7 summarize the total development fees for typical single-family and multi-family projects.

**Table IV-5**  
**Planning and Development Fees – 2008**

Fee Category	Fee or Deposit Amount
<b>Planning and Application Fees<sup>1</sup></b>	
Pre-Application Review	\$2,500 deposit
Parcel Map	\$7,500 deposit
Tentative Tract Map	\$8,000 deposit
Vesting Tentative Tract Map	\$8,000 deposit
Site Development Permit (administrative)	\$2,500 deposit
Site Development Permit (discretionary)	\$7,000 deposit
Use Permit	\$6,500 deposit
Specific Plan	\$10,000 deposit
General Plan Amendment	\$10,000 deposit
Development Agreement	\$10,000 deposit
Zone Change	\$10,000 deposit
<b>Environmental</b>	
Initial Study (review and preparation)	\$6,500 deposit
Environmental Impact Report (review) <sup>2</sup>	\$9,500 deposit
<b>Regional Development Impact Fees<sup>3</sup></b>	
Road Fees	\$3,362 - \$5,198 per unit
Fire Station Fees	\$88.31 – \$549.53 per unit
Library Fees	\$276.17 – \$298.59 per unit

Source: City of Lake Forest Development Services Department, 4/2008

1. Items with deposits are based on actual processing costs which may exceed initial deposit amount.

2. Applicant is required to reimburse City for consultant costs.

3. Impact Fees are imposed by regional agencies and vary by location (see Appendix D)

**Table IV-6  
Typical Single-Family Project Fees**

Number of Units	50
Site Acreage	10
<b>Per Unit Planning and Development Fees<sup>1</sup></b>	
Negative Declaration	\$130
Tentative Tract Map	\$160
Site Development Permit	\$140
Final Tract Map	\$21
Hydrology Study	\$21
Storm Drain/Water Quality	\$21
Street Improvement Plans	\$21
Grading WQMP	\$21
Est. Impact Fees (other agencies) <sup>2</sup>	\$17,953
<b>Est. total per unit fees</b>	<b>\$18,488</b>
<b>Est. proportion of total development cost<sup>3</sup></b>	<b>3%</b>

Notes:

1. Sample project assumptions and data based upon BIA/OC Land Development Fee Survey 2007-2008
2. Assumptions: FCCP \$5,198  
Foothill/Eastern \$4,764  
Santiago Cyn Rd \$662  
El Toro Rd \$1,329  
Schools \$6,000
3. Assumes \$600,000 development cost

**Table IV-7  
Typical Multi-Family Project Fees**

Number of Units <sup>1</sup>	140
Site Acreage	10
<b>Per Unit Planning and Development Fees</b>	
Negative Declaration	\$46
Tentative Tract Map	\$57
Site Development Permit	\$50
Final Tract Map <sup>2</sup>	\$7
Hydrology Study	\$7
Storm Drain/Water Quality	\$7
Street Improvement Plans	\$7
Grading WQMP	\$7
Est. Impact Fees (other agencies) <sup>1</sup>	\$11,755
<b>Est. Total Per Unit Fees</b>	<b>\$11,943</b>
<b>Est. proportion of total development cost<sup>2</sup></b>	<b>4%</b>

Notes:

1. Assumptions: FCCP \$5,198  
Foothill/Eastern \$4,764  
Santiago Cyn Rd \$662  
El Toro Rd \$1,329  
Schools \$3,600
2. Assumes \$300,000 development cost

The City periodically evaluates the actual cost of processing the development permits when revising its fee schedule.

After the passage of Proposition 13 and its limitation on local governments' property tax revenues, cities and counties have faced increasing difficulty in providing public services and facilities to serve their residents. One of the main consequences of Proposition 13 has been the shift in funding of new infrastructure from general tax revenues to development impact fees and improvement requirements on land developers. The City requires developers to provide on-site and off-site improvements necessary to serve their projects. Such improvements may include water, sewer and other utility extensions, street construction and traffic control device installation that are reasonably related to the project. Dedication of land or in-lieu fees may also be required of a project for rights-of-way, transit facilities, recreational facilities and school sites, consistent with the Subdivision Map Act.

A typical local street requires a 60-foot right-of-way, with two 18-foot travel lanes. The City's road standards are typical for cities in Orange County and do not act as a constraint to housing development. Table IV-8 illustrates the City's road improvement standards.

**Table IV-8**  
**Road Improvement Standards**

Roadway Designation	Number of Lanes	Right-of-Way Width	Curb-to-Curb Width
Principal Arterial	8	140'	120'
Major Arterial	6	120'	102'
Primary Arterial	4	100'	84'
Secondary Arterial	4	80'	64'
Local Street	2	60'	36'

Source: City of Lake Forest General Plan Circulation Element July 2008.

The City's Capital Improvement Program (CIP) contains a schedule of public improvements including streets and other public works projects to facilitate the continued build-out of the City's General Plan. The CIP helps to ensure that construction of public improvements is coordinated with private development.

Although development fees and improvement requirements increase the cost of housing, cities have little choice in establishing such requirements due to the limitations on property taxes and other revenue sources needed to fund public improvements.

## **B. Non-Governmental Constraints**

### **1. Environmental Constraints**

Environmental constraints include physical features such as steep slopes, fault zones, floodplains, sensitive biological habitat, and agricultural lands. In many cases, development of these areas is constrained by state and federal laws (e.g., FEMA

floodplain regulations, the Clean Water Act and the Endangered Species Act, and the state Fish and Game Code and Alquist-Priolo Act). The City's land use plans have been designed to protect sensitive areas from development, and also to protect public safety by avoiding development in hazardous areas. While these policies constrain residential development to some extent, they are necessary to support other public policies. In Southern California, nearly all development projects face potential community-wide environmental constraints such as traffic, noise and air quality impacts, in addition to site-specific constraints. None of the sites identified in the land inventory (Appendix B) have environmental constraints that would preclude the assumed level of development. It is noteworthy that during the previous planning period, a major constraint to residential development in Lake Forest was removed with the closure of the El Toro Marine Corps Air Station and the subsequent redesignation of land formerly subject to aircraft overflight noise.

## **2. Infrastructure Constraints**

As discussed under Development Fees and Improvement Requirements, the City requires developers to provide on-site and off-site improvements necessary to serve their projects. Dedication of land or in-lieu fees may also be required of a project for rights-of-way, transit facilities, recreational facilities and school sites, consistent with the Subdivision Map Act.

Additionally, the City's Capital Improvement Program (CIP) contains a schedule of public improvements including streets, bridges, and other public works projects to facilitate the continued build-out of the City's General Plan. The CIP helps to ensure that construction of public improvements is coordinated with private development. As a result of these policies, any infrastructure constraints which currently exist must be fully mitigated and financed as growth occurs.

### **a. Wastewater**

Sewage collection and treatment in Lake Forest is provided by the Irvine Ranch Water District (IRWD), El Toro Water District (ETWD), and the Trabuco Canyon Water District (TCWD). The wastewater is collected by the districts and directed to local and regional treatment plants in conjunction with the South Orange County Wastewater Authority. ETWD presently reclaims water which is used for landscape irrigation. The western portion of the City is primarily developed, with the necessary sewer infrastructure in place. In the undeveloped portions of the City, sewer lines may need to be extended to serve planned development. Sewer infrastructure improvements are typically addressed in the development agreements for the Planned Communities. Sewage treatment capacity is available to serve these areas and does not constrain development.

### **b. Water**

Water for City residents is supplied by the IRWD, ETWD and TCWD. The three districts treat and distribute water purchased from the Metropolitan Water District, which imports water from northern California and the Colorado River. As with the sewer lines, water lines must

be extended to service new planned developments. Domestic water supply is not expected to limit development during the planning period.

#### **c. Storm Water Drainage**

The City of Lake Forest spans three watershed areas with five natural creeks. A flood control system has been partially constructed to direct runoff away from developed areas and prevent flooding from rain. The Orange County Flood Control District (OCFCD) is responsible for regional flood control and maintains several facilities within the City. The City works closely with OCFCD to determine needs for flood control improvements and to identify improvements needed to accommodate proposed development projects. Development proposals and amendments within Planned Communities are reviewed for consistency with flood control improvements required in approved development plans and agreements. Development proposals outside of Planned Communities are assessed for drainage impacts and required facilities. With these existing facilities and review procedures in place, the City's flood control system is not expected to limit development during the planning period.

### **3. Land Costs**

Land represents one of the most significant components of the cost of new housing. Land values fluctuate with market conditions, and have been steadily increasing since 2000. The recent downturn in the housing market is expected to affect land values negatively, however. Changes in land prices reflect the cyclical nature of the residential real estate market. It appears as if the market may be in a downturn similar to the early 1980s and early 1990s, which was characterized by relatively sharp declines in property values and extended periods of minimal appreciation before prices recovered.

The high price of land throughout Orange County poses a significant challenge to market rate development of lower-income housing, although it is unclear to what extent the current downturn will affect land prices.

Per-unit land cost is directly affected by density – higher density allows the cost to be spread across more units, reducing the total price. The City zoning code allows development at up to 43 units per acre in the R2 District, which has helped to reduce per-unit land cost.

### **4. Construction Costs**

Construction cost is affected by the price of materials, labor, development standards and general market conditions. The City has no influence over materials and labor costs, and the building codes and development standards in Lake Forest are not substantially different than most other cities in Orange County. Construction costs for materials and labor have increased at a slightly higher pace than the general rate of inflation according to the Construction Industry Research Board.



## **5. Cost and Availability of Financing**

The recent (2007) crisis in the mortgage industry will affect the availability and cost of real estate loans, although the long-term effects are unpredictable. The credit “crunch” resulted when “sub-prime” lenders in the past five years made it possible for low-income families or others who could not qualify for standard mortgages to become home owners even though they might not have had the credit history and income to support repayment of the loans. The problem typically occurs with adjustable rate mortgages (ARMs) after the initial fixed interest rate period expires (often three years) and the interest rate converts to market. Because ARMs often offer “teaser” initial interest rates well below market for the first few years, monthly payments may increase by several hundred dollars when the loan converts to market rate. When property values were increasing, as was the case from 2000 to 2006, homeowners had the option of refinancing to a new loan when the initial rate expired. However, in the current market with declining values, homeowners may owe more than the resale value of their home, making refinancing impossible. As a result of these conditions, there has been a significant rise in foreclosure rates, and changes in mortgage underwriting standards is likely to have greater impacts on low-income families than other segments of the community.

## **C. Fair Housing**

Under state law, it is illegal for real estate lending institutions to discriminate against entire neighborhoods in lending practices because of the physical or economic conditions in the area (“redlining”). In monitoring new construction sales, re-sales of existing homes, and permits for remodeling, it would not appear that redlining is practiced in any area of the City.

State law also prohibits discrimination in the development process or in real property transactions, and it is the City’s policy to uphold the law in this regard. The City also provides financial support to the Orange County Fair Housing Council through its CDBG program and is an active participant in fair housing activities.



## **V. HOUSING ACTION PLAN**

### **A. Goals and Policies**

Chapters II, III and IV of the Housing Element evaluate the City's housing needs, opportunities and constraints, while Appendix A presents a review of the previous element. This Housing Action Plan reflects the City's experience during the past eight years and sets forth the City's goals, policies, and programs to address the identified housing needs and issues for the 2008–2014 planning period. Quantified objectives for new construction, rehabilitation and conservation are also identified.

The goals and policies that guide the City's housing programs and activities are as follows:

#### **ISSUE 1 - HOUSING DIVERSITY AND OPPORTUNITIES**

The diversity of housing opportunities in Lake Forest distinguishes the City from many other south Orange County communities and has attracted residents into the City. Continuing to provide a balanced inventory of housing in terms of unit type (single-family, multi-family, mobile home), cost, and style will allow the City to fulfill a variety of housing needs.

#### **GOAL 1.0: Adequate housing to meet the existing and future needs of Lake Forest residents.**

- Policy 1.1:** Ensure the provision of a variety of housing opportunities (ownership and rental) in Lake Forest including low-density single-family homes, moderate-density townhomes, higher-density apartments and condominiums, and mobile homes to fulfill regional housing needs.
- Policy 1.2:** Facilitate the development of affordable housing by offering development incentives on a case-by-case basis.
- Policy 1.4:** Ensure that the design of new residential development is compatible with that of existing residences.
- Policy 1.5:** Encourage the development of residential units whose design and market intent is to meet the needs of special groups, such as the elderly, the physically challenged and those in need of temporary shelter.
- Policy 1.6:** Encourage the development of new housing units in close proximity to public transportation and community services.
- Policy 1.7:** Evaluate sites within the El Toro Redevelopment Area for potential mixed-use development.
- Policy 1.8:** Remove or reduce governmental constraints on affordable housing development, while maintaining compatibility with surrounding development.

- Policy 1.9:** Support the provision of housing services in meeting the housing needs of Lake Forest residents.
- Policy 1.10:** Encourage residential developments to incorporate a minimum of 15% affordable units.
- Policy 1.11:** Identify potential sites in the City to expand housing opportunities through public/private partnerships.

## **ISSUE 2 - MAINTENANCE AND PRESERVATION OF HOUSING**

The majority of the Lake Forest housing stock is in good condition. However, some of the City's older neighborhoods and multi-family structures show evidence of deferred maintenance. As the City's housing stock continues to age, on-going maintenance is vital to prevent further deterioration.

### **GOAL 2.0: Maintenance and enhancement of the quality of existing residential neighborhoods.**

- Policy 2.1:** Improve the overall quality and conditions of existing housing in Lake Forest.
- Policy 2.2:** As funds allow, continue to offer rehabilitation and home improvement assistance to low- and moderate-income households, mobile home park residents and seniors.
- Policy 2.3:** Evaluate opportunities for comprehensive neighborhood improvements in the City's targeted neighborhoods, including focused code enforcement and neighborhood clean-up days and implement such activities as warranted.
- Policy 2.4:** Work to preserve restricted low-income housing in the City that is at-risk of converting to non-low-income use.
- Policy 2.5:** Continue to support tenant purchase of mobile home parks.

## **ISSUE 3 - HOME OWNERSHIP**

The option of home ownership has become a privilege in California that is often not available to low- and even moderate-income households or potential first-time homebuyers. The City will investigate means of increasing home ownership opportunities.

### **GOAL 3.0: Increased opportunities for home ownership.**

- Policy 3.1:** Encourage the development of affordable home ownership housing for first-time homebuyers.
- Policy 3.2:** Pursue state and federal funding sources to provide favorable home purchase options to low- and moderate-income households.

## Related Goals and Policies

The goals and policies described in the Housing Element are related to and support subjects included in other General Plan elements. In turn, many goals and policies from other elements directly or indirectly support the goals, and policies of the Housing Element. These supporting goals and policies are identified in Table V-1.

**Table V-1**  
**Related Goals and Policies by Element**

Housing Issue Area	Related Goals and Policies by Element				
	Land Use	Circulation	Recreation and Resources	Safety/ Noise	Public Facilities/Growth Management
Housing Diversity and Opportunities	1.2, 3.1, 3.4	3.1, 4.3	7.5		7.1, 8.1, 9.1, 9.2
Maintenance and Preservation of Housing	6.1			5.2	
Home Ownership	4.1, 4.2		7.5		

## B. Housing Programs

Lake Forest offers a variety of housing opportunities to meet the needs of the community. This section of the Housing Action Plan addresses the issues identified in the previous sections of the Element and provides a strategy to achieve the City's housing goals.

The housing programs designed to implement the City's strategy are discussed in detail below. In addition, Table V-2 (page V-15) summarizes the programs, objectives, funding sources, responsible agencies, and time frames for implementation during the 2008–2014<sup>20</sup> planning period.

### PROVISION OF ADEQUATE HOUSING SITES

A key element in satisfying the housing needs of all segments of the community is the provision of adequate sites for housing. This is an important function of both the General Plan and zoning.

#### Program 1 Land Use Entitlements

Planning and regulatory actions to achieve adequate housing sites are implemented through the Land Use Element and Zoning Code. The Land Use Element provides for a variety of residential types, ranging from lower-density single-family homes to higher-density apartments and condominiums. As noted in Chapter III and Appendix B, the Land Use Element and Zoning Code provide adequate potential sites to meet the City's share of regional housing needs for the 2006-2014 period.

<sup>20</sup> For new construction, the timeframe is 2006 – 2014 to coincide with the RHNA period.

**Program Actions through June 30, 2014:**

- In conjunction and cooperation with the property owner, conduct a feasibility analysis of redevelopment of the Saddleback Apartments property by July 1, 2010.
- Receive and process development applications for projects within the Opportunities Study area.

**Program 1a Financial and Regulatory Assistance**

In conjunction with implementing actions described under the Land Use Element Program #1, the City will provide financial and/or regulatory assistance for projects that include an affordable housing component. For example, the City may provide reduced development fees, as well as density bonuses, and flexible development standards to attract affordable projects.

The primary source of funds available to provide financial assistance is redevelopment set-aside, an estimated \$800,000 to \$1 million annually which will be available over the six-year planning period for affordable housing. A variety of outside funding sources are also available from the County and State on a competitive basis.

Pursuant to State density bonus law, developers who agree to provide affordable units in a development must be granted a density bonus of up to 35% or other incentives of equivalent financial value in order to facilitate such developments. The City's Density Bonus Ordinance incorporates by reference the latest amendments to state law.

**Program Actions through June 30, 2014:**

- Provide financial and/or regulatory incentives to facilitate production of affordable housing, including extremely-low-income units if feasible, by private developers on a case-by-case basis. Incentives may include fee reductions, density bonus and other modified development standards.
- Provide assistance in identifying and preparing applications for appropriate State and County funding sources for affordable housing providers.

**Program 2 Sites for Homeless Shelters**

Homelessness is a chronic problem throughout Southern California. While the majority of the County's homeless are in the older, more urbanized jurisdictions and in the beach communities, homeless persons do occasionally pass through the City. In addition, the City has numerous households who may be considered at-risk of becoming homeless by virtue of their limited incomes. It is important for the City to provide the appropriate zoning mechanisms to accommodate the provision of facilities which serve the homeless population, most of whom are extremely-low-incomes. (see also Program 9)

**Program Actions through June 30, 2014:**

- Consider funding support for non-profit organizations to provide transitional housing for homeless (on a case-by-case basis).
- Assist non-profit organizations to identify potential sites for homeless shelters.

**Program 3 Facilitate Affordable Housing Production**

Affordable housing developments face a number of hurdles, including financing, development codes and standards, and in some cases, public opposition. The City can encourage and facilitate affordable housing through financial assistance, removal of regulatory constraints, and administrative support.

**Program Actions through June 30, 2014:**

- Facilitate production of affordable housing by private developers and/or non-profits on a case-by-case basis in conjunction with new residential development; require an Affordable Housing Implementation Plan (AHIP) with each approval as a condition of approval or through a Development Agreement in accordance with General Plan policy to encourage 15% affordable housing in all new residential development, including extremely-low-income units if feasible and units with three or more bedrooms to serve the needs of large families.
- The City and Redevelopment Agency will provide incentives such as density bonus, modified development standards, expedited processing, and financial assistance where feasible and appropriate to assist the redevelopment of the Saddleback Ranch Apartments site consistent with the Housing Element and Agency Housing Implementation Plan pursuant to an Affordable Housing Implementation Plan (AHIP) or Development Agreement with the property owner in order to facilitate the production of affordable units.
- The City will initiate meetings with the property owner annually to discuss future plans for redevelopment of the site and to encourage the owner to work with the City to achieve redevelopment of the site.

**Program 4 El Toro Road Mixed Use**

The City has established Design Guidelines and adopted a Revitalization and Revisioning Strategy for the El Toro Road corridor, which generally coincides with the City's Redevelopment Project Area. While two major commercial centers along El Toro Road have been completely redeveloped and two centers have made minor improvements, several of the centers continue to be economically stagnating in comparison. These centers contain deep parcels which may be suitable for integration of residential uses. There is also the potential for combining smaller individual parcels to create larger parcels that could accommodate a mix of uses as well.

**Program Actions through June 30, 2014:**

- Evaluate sites within the El Toro Redevelopment Project Area for potential mixed-use development. A General Plan Amendment and Zone Change would be necessary to allow mixed-use development in the Project Area.

**REMOVAL OF GOVERNMENTAL CONSTRAINTS**

State law requires the Housing Element to address, and where appropriate and legally possible, remove governmental constraints affecting the maintenance, improvement, and development of housing. The following programs are designed to lessen governmental constraints on housing development.

**Program 5 Expedited Project Review**

A community's evaluation and review process for housing projects contributes to the cost of housing because holding costs incurred by developers are ultimately reflected in the unit's selling price.

To minimize holding costs, Lake Forest will prioritize the review of housing projects with an affordable component, including projects where only a percentage of the total units are affordable. The City utilizes contract staffing on an as needed basis in order to expedite the processing of development applications, and therefore, does not face staffing limitations in expediting the processing of affordable housing projects. Nonetheless, given the importance of shortened project review for affordable housing developments typically reliant upon various funding cycles, priority processing for affordable projects remains important.

**Program Actions through June 30, 2014:**

- Continue to implement expedited project review and concurrent review procedures.

**Program 6 Second Units**

Residential second units provide a viable option for providing additional affordable housing opportunities for seniors, single persons or small households within existing neighborhoods. Second units help to address the needs of very-low- and extremely-low-income persons. In 2003 the City amended the Municipal Code to reflect current state law, and two second unit applications have been approved under the new ordinance.

**Program Actions through June 30, 2014:**

- The City will distribute information about the potential development of second units by providing brochures and/or informational displays detailing the benefits of second units and the process for obtaining approval. These materials will be provided at the building permit counter, online, and at other appropriate locations. This program will be implemented within six months of adoption of the certified Housing Element. .



**Program 7    Single Room Occupancy (SRO)**

Single room occupancy facilities are small studio-type units that typically serve very-low- and extremely-low-income persons. Although SROs are defined in the Zoning Ordinance, they are not listed as a permitted or conditionally permitted use in any zoning district but have been interpreted to be similar uses as hotels/motels, which are allowed by use permit in the C2, CC, and M1 Districts. In order to clarify the City's policy regarding SROs, the City will amend the Zoning Code to provide specific development standards for SROs and to specify which zoning district(s) allow SROs.

**Program Actions through June 30, 2014:**

- Amend the Zoning Code regulations by July 2010 to provide specific development standards for SROs and to specify which zoning district(s) allow SROs.

**PROVIDE SUPPORTIVE HOUSING ASSISTANCE FOR SPECIAL NEEDS POPULATION****Program 8    Transitional and Supportive Housing**

The City provides financial assistance to non-profit homeless service agencies to purchase existing housing in the community for use as transitional and supportive housing. These facilities help to address the needs of very-low- and extremely-low-income persons.

Previously, the City provided CDBG funding to two non-profit organizations that between them purchased nine condominiums for transitional/supportive and affordable housing (each have 25-year covenants). These condominiums that were separately purchased within a five-year duration continue to offer transitional/supportive and affordable housing to extremely-low-income residents and will continue to do so until 2022–2026. Supportive services that are provided to residents include weekly case management counseling, weekly budget/financial counseling, child care assistance to attend counseling, education supplies assistance, employment supplies/tools assistance, health care payment assistance, permanent housing placement assistance, legal assistance (as available), life-skills training, weekly children's program that addresses self-esteem/social skills/coping skills/values & beliefs/peer pressure/anger management/self-care and identifying social networks.

There are a number of shelters/transitional housing programs that are operated within and in close proximity to Lake Forest and are the most likely to provide services to homeless individuals and families in the Lake Forest area. The Needs Assessment (Chapter II) contains an inventory of homeless services and facilities, which will be made available to individuals seeking assistance.

In addition, Senate Bill (SB) 2 of 2007 provides that transitional and supportive housing shall be treated as a residential use subject to only those requirements and procedures that apply to other residential uses of the same type in the same zone. The Zoning Code will be amended in conformance with SB 2 within one year of Housing Element adoption.

**Program Actions through June 30, 2014:**

- Evaluate opportunities to provide additional transitional housing integrated into market-rate developments.
- See Program #1a above; consider funding support for non-profit organizations to provide transitional housing for homeless on a case-by-case basis.
- Amend the Zoning Code regulations related to transitional housing within one year of Housing Element adoption in conformance with SB 2.

**Program 9 Emergency Shelters**

SB 2 of 2007 strengthened the planning requirements for emergency shelters and transitional/supportive housing. For jurisdictions with an unmet need, emergency shelters must be allowed by-right in at least one zoning district. In order to clarify the City's policy regarding emergency shelters, a Zoning Code Amendment will be processed to define emergency shelters and to ensure that these uses are allowed by-right in at least one zoning district. Based on a preliminary assessment, the City has identified the Urban Activity zone within the Baker Ranch Planned Community and the Business Park zone within the Pacific Commercentre Planned Community as appropriate districts for emergency shelters. Sites within these zones are located within walking distance of services and employment centers and are served by public transportation. The Urban Activity zone encompasses more than 380 acres of vacant land as well as over 250 acres of developed land; the Pacific Commercentre Business Park zone includes approximately 75 acres. While these zones have been preliminarily identified, further analysis will be required during the Code amendment and public review process and the City Council may identify a different district that is deemed more appropriate for emergency shelters. The proposed Code amendment will include the analysis and findings required by SB 2 and will identify appropriate development standards that encourage and facilitate development of at least one permanent, year-round shelter. Such facilities help to address the needs of extremely-low-income persons.

**Program Actions through June 30, 2014:**

- Amend the Zoning Code regulations within one year of Housing Element adoption to define emergency shelters and to ensure that these uses are allowed by-right in at least one zoning district.

**Program 10 Orange County Fair Housing Council**

Lake Forest works with the Orange County Fair Housing Council for the provision of fair housing services. Services offered include counseling and information on potential discrimination and landlord/tenant problems, special assistance for ethnic minority and single-headed households (which includes escort services to locate adequate housing), bilingual housing literature and video-tape presentations, day-care services, and housing assistance counseling.

The City monitors and attempts to minimize discriminatory housing practices with the assistance of the Fair Housing Council that is annually funded by the City's CDBG. Fair Housing actively counsels residents on landlord/tenant issues to help minimize landlord and housing acquisition policies that utilize discriminatory practices. In addition to providing educational workshops to our residents, the organization advocates fair housing rights on behalf of residents.

**Program Actions through June 30, 2014:**

- Continue to allocate CDBG Funds to increase awareness of FHCOG and/or other fair housing provider(s).

**Program 11 Coordination with Social Service Agencies**

A variety of social services agencies provide housing and supportive services to special needs groups in Lake Forest. Several of these social service agencies receive CDBG funds from the City to help administer these programs. The City determines its CDBG allocations to social service agencies annually based upon applications received, whether the agency provides a priority need in the City's 5-year Consolidated Plan, and if the agency meets Federal HUD regulations. In a typical program year, funding is allocated to nonprofits that serve the following needs of low- to moderate-income individuals: food distribution, housing assistance, services and programs for the elderly and youth, before and after school care programs, services for the disabled, primary health care services, and fair housing advocacy and counseling. Similar to the Housing Element update, the Consolidated Plan involves comprehensive outreach, citizen participation workshops, and assessment of community needs to develop a road map for programs and activities to be pursued in the ensuing five years. The variety of social service agencies that may be awarded CDBG are guided by priority needs articulated in the Consolidated Plan. All CDBG-contracted and funded programs (emergency housing/shelter, food distribution, primary health care services to the indigent or non-insured, senior case-management services and home-delivered meals, and before-and-after school youth programs for extremely low and low income families) address and assist the needs of the extremely-low- and low-income persons of our community.

**Program Actions through June 30, 2014:**

- Continue to evaluate on an annual basis allocation of CDBG Funds to social service agencies to benefit Lake Forest residents.

**CONSERVE THE EXISTING SUPPLY OF AFFORDABLE HOUSING**

Market rents in Lake Forest are at a level which significantly limits the supply of housing affordable to very-low-income households. Rental subsidies are necessary to prevent many of the City's very-low-income residents from spending upwards of 30% of their incomes on housing costs, and over-extending themselves financially. In addition to rent subsidies, actions to conserve the low-income bond project in Lake Forest at-risk of converting to market rate will be necessary to maintain affordability.

**Program 12 Section 8 Rental Assistance**

The Section 8 rental assistance program extends rental subsidies to very-low- and extremely-low-income families and elderly who spend more than 30% of their income on rent. The subsidy represents the difference between the excess of 30% of their monthly income and the actual rent. Rent subsidies can be used to pay for mobile home park space rents. Lake Forest contracts with the Orange County Housing Authority to administer the Federal Section 8 Certificate/Voucher Program.

The County also administers rental assistance programs specifically for special needs groups, including families whose children are at risk of being placed in out-of-home care, disabled persons, homeless and the frail elderly.

**Program Actions through June 30, 2014:**

- Continue to assist in distributing applications and providing information, as appropriate, regarding the Section 8 program.
- Provide a link to County housing programs on the City's website (completed August 18, 2008).

**Program 13 Conservation of Existing and Future Affordable Units**

In order to meet the housing needs of all economic groups in Lake Forest, the City must guard against the loss of housing units available to lower-income households. During the prior planning period, one multi-family mortgage revenue bond project (Trabuco Woods) was at risk of conversion to market-rate housing and was preserved for an additional 25 years through bond refinancing.

**Program Actions through June 30, 2014:**

- Maintain contact with providers and owners of subsidized units.
- Explore the use of potential assistance from the Redevelopment Agency (RDA) to provide additional affordable units.
- Explore the use of RDA assistance to extend existing covenant units by purchasing additional term to 55 years on the bonds that were recently reissued on several apartment projects.
- Explore creation of an affordable housing land trust to facilitate the provision of affordable housing.
- Explore partnership with applicants for condominium conversions to encourage provision of 15% affordable units and/or to preserve existing affordable units.

**Program 14 Consider Accommodations for Special Needs Population in New Developments**

Persons with special housing needs include seniors, those with disabilities, and working parents with small children. There are several steps the City can take to facilitate the development of housing to address these needs.

**Program Actions through June 30, 2014:**

- Encourage provision of childcare with new affordable housing development.
- Examine ways to integrate special-needs services within new development.
- Encourage the provision of designs which support aging in place (such as universal design) in new development.

**REHABILITATE THE CITY'S EXISTING SINGLE-FAMILY AND MULTI-FAMILY HOUSING STOCK**

The majority of the City's housing stock is in good condition; however, it is important for the City to provide programs that ensure the continued maintenance of its housing stock. The City utilizes CDBG funds to operate a single-family rehabilitation loan program for low-income households, and implements improvements through its code enforcement and targeted Neighborhood Preservation programs citywide.

**Program 15 Owner-Occupied Rehabilitation**

The City also provides housing rehabilitation assistance to lower- and moderate-income homeowners through a loan program for owner-occupied single-family detached and attached homes and mobile home units, which is funded through the City's CDBG and Redevelopment Agency Set-Aside programs. A zero-interest deferred payment loan of up to \$30,000 is available to households earning up to 110% of the area median family income. A 3% interest loan amortized for a 15 year period is available to those who wish to pay off their loan sooner. Loans of up to \$15,000 are also available to owners of mobile homes. Since the City now has its own rehabilitation program, City residents are no longer eligible to participate in County-sponsored rehabilitation programs.

The City promotes its owner-occupied Housing Rehabilitation Loan Program on a year-round basis on its website and in the City's quarterly newsletter. The loan program is only available for owner-occupied homes, townhomes and mobile homes. On June 3, 2008, the City began augmenting CDBG funding for this program with Redevelopment Housing Set-Aside (for 2008/09 \$140,000 was committed and for 2009/10 \$183,000 was committed).

**Program Actions through June 30, 2014:**

- As funding allows, continue to allocate CDBG funds to meet housing rehabilitation needs of lower income groups.
- Augment CDBG funding for the Housing Rehabilitation Loan Program with Agency Housing Set-Aside. This additional funding will serve to assist moderate

income households that currently are not eligible for assistance under the program due to CDBG regulations regarding income qualification. The goal is to assist a total of 12 – 17 households each year.

#### **Program 16 Code Enforcement**

The code enforcement program is operated through the City's Development Services Department, whose inspectors respond to complaints related to substandard housing, property maintenance, overgrown vegetation, trash and debris, illegal conversions, improper occupancy and other nuisance and zoning complaints.

##### **Program Actions through June 30, 2014:**

- Provide proactive enforcement activities in the City's 10 Neighborhood Preservation Areas.
- Provide property owners in violation of City Codes with information regarding available rehabilitation assistance.
- Provide CDBG funding for code enforcement in target areas

#### **Program 17 Neighborhood Preservation Program**

The City has adopted a comprehensive approach to neighborhood improvement in ten targeted Neighborhood Preservation Areas. Code enforcement staff provides focused enforcement activities and the City conducts periodic neighborhood cleanup days which include activities such as bulky-item trash pick-up. The City also periodically sponsors Neighborhood Pride Paint Days which involve painting of homes for qualified low-income homeowners.

##### **Program Actions through June 30, 2014:**

- Provide funding for code enforcement in target areas.
- Periodically sponsor Neighborhood Pride Clean-Up Day in target areas.
- Code enforcement staff will inform eligible owners about City's rehabilitation program for assistance in making repairs.
- Evaluate comprehensive preservation strategies for specific target area neighborhoods.

#### **PROVIDE HOUSING OPPORTUNITIES FOR FIRST-TIME HOMEBUYERS**

##### **Program 18 First-Time Homebuyer Assistance**

Home ownership in Orange County is increasingly unaffordable to low- and moderate-income residents. Due to the high cost of housing in Lake Forest, first-time home buyer programs are cost-prohibitive for the City without a County or other complimentary program. The County recently reinstated a first-time homebuyer program. The City will

evaluate participation in this program as details become available. Should the City participate in this program funding will be focused to facilitate affordable housing at all income levels.

**Program Actions through June 30, 2014:**

- Evaluate City participation in first-time homebuyer programs on a case-by-case basis as programs become available.

**Program 19 Staff Education**

Training will enhance the effectiveness of the City's programs by increasing staff's level of knowledge of housing programs.

**Program Actions through June 30, 2014:**

- Sponsor staff participation in educational programs and professional development related to housing.

**Program 20 Community Education**

In addition to staff training, a community education programs will make residents and potential clients more aware of the City's housing programs.

**Program Actions through June 30, 2014:**

- Use the City's website, Leaflet, and Citizen's Leadership Academy to inform the community about housing programs, issues, and opportunities.

**Program 21 Participate in Regional Planning**

Continued participation by staff and City officials in regional planning activities sponsored by the Southern California Association of Governments (SCAG) and the Orange County Council of Governments (OCCOG) will increase awareness of opportunities for housing programs.

**Program Actions through June 30, 2014:**

- Continue to participate in regional planning efforts through the Orange County Council of Governments.
- Monitor regional developments in affordable housing, funding, and legislation.

**Program 22 Monitor Affordable Housing Implementation Plans for Opportunities Study Area Projects**

Each of the Opportunities Study Area (OSA) Participants has entered into a development agreement (DA) with the City. Each of the DAs includes an Affordable Housing Implementation Plan (AHIP) to facilitate the production of affordable units in conjunction with the development of the OSA projects.

**Program Actions through June 30, 2014:**

- The City will monitor the development of the OSA projects and include in the annual Housing Element Progress Report to HCD the status of compliance with the AHIPs and the progress toward development of affordable units. Any changes to the anticipated number of affordable units as identified in Appendix B of the Housing Element will be reported. Should the City Council approve payment of fees in-lieu of providing affordable units for Portola Center, the City shall identify additional sites suitable to accommodate the City's remaining regional housing need for lower-income households.



**Table V-2  
2008-2014 Housing Programs Summary**

Program	Program Objective	Funding Source	Responsible Agency	Time Frame
1. Land Use Entitlements	Facilitate additional land use entitlements commensurate with the RHNA: Conduct a feasibility study for Saddleback Ranch Apartments Process development applications in the Opportunity Study Area	General Fund RDA funds	Development Services Dept; Redevelopment Agency	Feasibility study by July 2010 Process development applications throughout the planning period
1a. Financial and Regulatory Assistance	Provide financial assistance to facilitate affordable housing production	RDA funds Other funding sources, as available	Redevelopment Agency	Throughout the planning period
2. Sites for Homeless Shelters	Assist non-profit agencies in identifying a potential site for a homeless shelter If an appropriate site is identified, provide funding assistance as available	RDA; CDBG; other funding sources, as available	Development Services Dept; Redevelopment Agency	Throughout the planning period
3. Facilitate Affordable Housing Production	Encourage 15% of all new units affordable to low- and moderate-income households Provide incentives and housing set-aside funds where feasible and appropriate to assist affordable housing units in the Saddleback Ranch Apartments	RDA; CDBG; other funding sources, as available	Development Services Dept; Redevelopment Agency	Throughout the planning period
4. El Toro Road Mixed Use	Evaluate sites within the El Toro Redevelopment Project Area for potential mixed-use development. General Plan Amendment and Zone Change would be necessary to allow mixed-use development in the Project Area.	RDA; CDBG; other funding sources, as available	Development Services Dept; Redevelopment Agency	Throughout the planning period
5. Expedited Project Review	Continue to implement expedited project review and concurrent review procedures.	RDA; CDBG; General Fund; other funding sources, as available	Development Services Dept; Redevelopment Agency	Throughout the planning period
6. Second Units	Continue to implement the second unit ordinance.	General Fund	Development Services Dept.	Throughout the planning period
7. Single-Room Occupancy	Process Zoning Code amendment to provide specific standards and define which zoning district(s) allow SROs.	General Fund	Development Services Department	Within 1 year of Housing Element adoption
8. Transitional Housing	Evaluate opportunities to provide additional transitional housing integrated into market-rate developments. See Program #1a above; consider funding support for non-profit organizations to provide transitional housing for homeless on a case-by-case basis. Amend the Zoning Code regulations related to transitional housing	RDA; CDBG; other funding sources, as available	Development Services Dept; Redevelopment Agency	Throughout the planning period  Within 1 year of Housing Element adoption

Program	Program Objective	Funding Source	Responsible Agency	Time Frame
9. Emergency Shelters	Process Zoning Code amendment to define emergency shelters and to ensure that these uses are allowed by-right in at least one zoning district.	General Fund	Development Services Department	Within 1 year of Housing Element adoption
10. Orange County Fair Housing Council	Continue to allocate CDBG Funds to increase awareness of FHCOC and/or other fair housing provider(s).	CDBG	Redevelopment Agency	Throughout the planning period
11. Coordination With Social Service Agencies	Continue to evaluate on an annual basis allocation of CDBG Funds to social service agencies to benefit Lake Forest residents.	CDBG	Redevelopment Agency	Throughout the planning period
12. Section 8 Program	Continue to assist in distributing applications and providing information, as appropriate, regarding the Section 8 program.	HUD; CDBG; RDA	Redevelopment Agency	Throughout the planning period
13. Conservation of Existing and Future Affordable Units	Maintain contact with providers and owners of subsidized units. Explore the use of potential assistance from the Redevelopment Agency (RDA) to provide additional affordable units. Explore the use of RDA assistance to extend existing covenant units by purchasing additional term to 55 years on the bonds that were recently reissued on several apartment projects. Explore creation of an affordable housing land trust to facilitate the provision of affordable housing. Explore partnership with applicants for condominium conversions to encourage provision of 15% affordable units and/or to preserve existing affordable units.	RDA; CDBG; other funding sources, as available	Redevelopment Agency	Throughout the planning period
14. Accommodations for Special Needs Population	Encourage provision of childcare with new affordable housing development. Examine ways to integrate special-needs services within new development. Encourage the provision of designs which support aging in place (such as universal design) in new development.	RDA; CDBG; other funding sources, as available	Development Services Dept; Redevelopment Agency	Throughout the planning period
15. Owner-Occupied Rehabilitation	As funding allows, continue to allocate CDBG funds to meet housing rehabilitation needs of lower income groups. Augment CDBG funding for the Housing Rehabilitation Loan Program with Agency Housing Set-Aside. This additional funding will serve to assist moderate income households that currently are not eligible for assistance under the program due to CDBG regulations regarding income qualification. The goal is to assist a total of 12 – 17 households each year.	RDA; CDBG; other funding sources, as available	Development Services Dept; Redevelopment Agency	Throughout the planning period

Program	Program Objective	Funding Source	Responsible Agency	Time Frame
16. Code Enforcement	Provide pro-active enforcement activities in the City's 10 Neighborhood Preservation Areas. Provide property owners in violation of City Codes with information regarding available rehabilitation assistance. Provide funding for code enforcement in target areas	RDA; CDBG; other funding sources, as available	Development Services Dept; Redevelopment Agency	Throughout the planning period
17. Neighborhood Preservation Program	Provide funding for code enforcement in target areas. Periodically sponsor Neighborhood Pride Clean-Up Day in target areas. Inform eligible owners about City's rehabilitation program for assistance in making repairs. Evaluate comprehensive preservation strategies for specific target area neighborhoods.	RDA; CDBG; other funding sources, as available	Development Services Dept; Redevelopment Agency	Throughout the planning period
18. First-Time Homebuyer Assistance	Evaluate participation in this program as details become available. Should the City participate in this program, funding will be focused to facilitate affordable housing at all income levels.	RDA; CDBG; other funding sources, as available	Development Services Dept; Redevelopment Agency	Throughout the planning period
19. Staff Education	Sponsor staff participation in educational programs and professional development related to housing.	RDA; CDBG; General Fund; other funding sources, as available	Development Services Dept; Redevelopment Agency	Throughout the planning period
20. Community Education	Use the City's website, Leaflet, and Citizen's Leadership Academy to inform the community about housing programs, issues, and opportunities.	General Fund; RDA; CDBG	Development Services Dept; Redevelopment Agency	Throughout the planning period
21. Participate in Regional Planning	Continue to participate in regional planning efforts through the Orange County Council of Governments. Monitor regional developments in affordable housing, funding, and legislation.	General Fund; RDA; CDBG	Development Services Dept.	Throughout the planning period
22. Monitor AHIPs for OSA Properties	Annually monitor projects with approved development agreements for compliance with AHIPs.	General Fund	Development Services Department	Throughout the planning period

## C. Quantified Objectives

The City's quantified objectives for new construction, rehabilitation and conservation are presented in Table V-3.

**Table V-3**  
**Quantified Objectives – 2008-2014**

Program Category	Income Category					Totals
	Ex. Low	V. Low	Low	Mod	Upper	
New Construction <sup>1</sup>	3	3	5	6	12	29
Rehabilitation <sup>2</sup>		37	31	37		105
Conservation <sup>3</sup>						

<sup>1</sup> Quantified objective for new construction is for the period 1/1/2006 - 6/30/2014 per the RHNA

<sup>2</sup> Estimated based upon an average of 15 units per year during the Housing Element cycle

<sup>3</sup> Preservation of units at risk

## **Appendix A – Evaluation of the Prior Housing Element**

Section 65588(a) of the *Government Code* requires that jurisdictions evaluate the effectiveness of the existing Housing Element, the appropriateness of goals, objectives and policies, and the progress in implementing programs for the previous planning period. This appendix contains a review of the housing goals, policies, and programs of the previous housing element, and evaluates the degree to which these programs have been implemented during the previous planning period, 2001 through 2007. This analysis also includes an assessment of the appropriateness of goals, objectives and policies. The findings from this evaluation have been instrumental in determining the City's 2008 Housing Implementation Program.

Table A-1 summarizes the programs contained in the previous Housing Element along with the source of funding, program objectives, accomplishments, and implications for future policies and actions.

Table A-2 summarizes the goals and policies contained in the previous Housing Element along with an assessment of their appropriateness for the new planning period.

Table A-3 summarizes new units built during the previous Housing Element period.

Table A-4 presents the City's progress in meeting the quantified objectives from the previous Housing Element.

**Table A-1**  
**Housing Element Program Evaluation – 2001-2007**  
**City of Lake Forest**

Program	Responsible Agency	Funding Source	Program Objectives	Accomplishments	Future Policies and Actions
<b>PROVISION OF ADEQUATE SITES</b>					
1. Land Use Element	Development Services Department	General Fund	<ul style="list-style-type: none"> <li>Designate adequate sites to meet RHNA</li> <li>Maintain inventory of suitable residential sites</li> <li>Monitor use of two remaining Medium Density housing sites</li> <li>Host development roundtable</li> </ul>	<ul style="list-style-type: none"> <li>Adequate sites designated in 2000 Housing Element</li> <li>2 of 3 identified housing sites entitled, one for multifamily</li> <li>Inventory created in 2001. Updated annually.</li> <li>Roundtable held in 2002.</li> <li>General Plan Amendment to allow residential uses in areas formerly encumbered by 65 CNEL from MCAS-EI Toro</li> </ul>	<ul style="list-style-type: none"> <li>Continue to maintain inventory</li> <li>Identify adequate sites to meet RHNA</li> <li>Explore the feasibility of redevelopment of the Saddleback Ranch Apartments Property</li> </ul>
1a. Regulatory and Financial Assistance	Development Services Department and Housing Manager	City and County Redevelopment Set-Aside; other County and State housing funds	<ul style="list-style-type: none"> <li>Offer financial and regulatory incentives to facilitate production of affordable housing by private developers</li> <li>assist in identifying funding sources in applying for County and State funds</li> </ul>	<ul style="list-style-type: none"> <li>In 2003, the City assisted with a housing development by paying building plan check and permit fees totaling \$163,000. The development provides housing to four low-income and two moderate-income households.</li> <li>City provides information to the public based on inquiries received.</li> </ul>	<ul style="list-style-type: none"> <li>Consider financial and regulatory incentives to facilitate production of affordable housing by private developers (on a case-by-case basis).</li> <li>Provide assistance to identify appropriate State and County funding sources for affordable housing providers.</li> </ul>
2. Sites for Homeless Shelters	Development Services Department	CDBG	<ul style="list-style-type: none"> <li>Provide funding support for non-profit organizations to provide transitional housing for homeless</li> <li>Zoning Code Amendments to provide for emergency shelters and transitional housing</li> </ul>	<ul style="list-style-type: none"> <li>\$75,000 of CDBG to one nonprofit to assist with the purchase of two transitional housing units (see #7 below)</li> <li>Zoning ordinance amendments providing for transitional housing and emergency shelters in non-residential zones not processed. Existing zoning code allows for transitional housing and emergency shelters for up to six persons by-right in residential zones.</li> </ul>	<ul style="list-style-type: none"> <li>Consider funding support for non-profit organizations to provide transitional housing for homeless (on a case-by-case basis).</li> <li>Assist non-profit organizations to identify potential sites for homeless shelters.</li> <li>Consider actions to comply with SB2 .</li> </ul>

Program	Responsible Agency	Funding Source	Program Objectives	Accomplishments	Future Policies and Actions
3. Affordable Housing Ordinance	Development Services Department	General Fund	Adopt Affordable Housing Ordinance.	<ul style="list-style-type: none"> <li>No ordinance dealing specifically with affordable housing has been adopted. Ordinances for reasonable accommodations and second units adopted in 2002 and 2003.</li> <li>Due to limited amount of residential development within Lake Forest and the lack of vacant, residentially zoned land, the provision of affordable housing has been accomplished on a case by case basis with each new residential development.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to facilitate production of affordable housing by private developers and/or non-profits on a case-by-case basis in conjunction with new residential development; require Affordable Housing Implementation Plan (AHIP) with each approval as a condition of approval or through a Development Agreement.</li> </ul>
4. El Toro Road Mixed Use	Development Services Department; Redevelopment Agency	Redevelopment Set-Aside	<ul style="list-style-type: none"> <li>Evaluate sites within the El Toro Redevelopment Project Area for potential mixed use development</li> <li>Utilize redevelopment set-aside funds and other redevelopment authority to attract mixed use development</li> </ul>	<ul style="list-style-type: none"> <li>El Toro Road Traffic and Landscape Improvement Project completed to improve traffic and pedestrian safety.</li> <li>Signature retail projects and corner gateways completed.</li> <li>Spurred renewed interest for further development including potential mixed use.</li> </ul>	Redevelopment Agency to evaluate the potential of mixed use within the Redevelopment Project Area. General Plan Amendment and Zone Change would be necessary to allow mixed use development in the Project Area.
<b>REMOVAL OF GOVERNMENTAL CONSTRAINTS</b>					
5. Expedited Project Review	Development Services Department	General Fund, Development Fees	<ul style="list-style-type: none"> <li>Develop priority processing procedures for affordable housing projects and process with other housing-related Zoning Code amendments in 2001</li> </ul>	<ul style="list-style-type: none"> <li>Procedures developed in 2001.</li> <li>Developed method of concurrent review of development projects with Development Services and Redevelopment Agency.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to implement expedited project review and concurrent review.</li> </ul>
6. Second Units	Development Services Department	General Fund	<ul style="list-style-type: none"> <li>Adopt a local Second Unit Ordinance which reflects State requirements</li> </ul>	<ul style="list-style-type: none"> <li>Second unit ordinance adopted in 2003. Two second unit permits were issued, indicating that the new ordinance is successful.</li> </ul>	Continue to implement the Second Unit Ordinance; amend if determined necessary
<b>PROVIDE SUPPORTIVE HOUSING ASSISTANCE FOR SPECIAL NEEDS POPULATION</b>					
7. Transitional Housing	Redevelopment Department	CDBG	<ul style="list-style-type: none"> <li>Provide additional transitional housing integrated into market rate developments and provide services through several key facilities in the region.</li> <li>City has provided funding support to assist with the purchase of two transitional housing units located in the City.</li> </ul>	<ul style="list-style-type: none"> <li>Approval of two residential projects did not include transitional housing.</li> <li>2001: \$75,000 of CDBG to one nonprofit to assist with the purchase of two transitional housing units.</li> </ul>	<ul style="list-style-type: none"> <li>See #2 above; continue funding to non-profits for transitional housing.</li> <li>Actions to comply with SB 2</li> </ul>
8. Orange County Fair Housing Council	Redevelopment Department	CDBG	<ul style="list-style-type: none"> <li>Advertise Orange County Fair Housing Council's services in the City's newsletter and in local periodicals.</li> <li>Place posters and brochures at public and community locations.</li> </ul>	<ul style="list-style-type: none"> <li>Advertise FHCOC services in the City's quarterly newsletter.</li> <li>City awarded FHCOC \$6,371 grant for services to investigate housing discrimination matters and landlord/tenant issues.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to allocate CDBG Funds to increase awareness of FHCOC and/or other fair housing provider(s).</li> </ul>

Program	Responsible Agency	Funding Source	Program Objectives	Accomplishments	Future Policies and Actions
9. Coordination with Social Service Providers	Redevelopment Department	CDBG	<ul style="list-style-type: none"> <li>Continue coordination with social service providers.</li> <li>Evaluate providing CDBG assistance to key agencies to continue the provision of services to Lake Forest residents</li> </ul>	<ul style="list-style-type: none"> <li>CDBG funds used to fund social service agencies for support and assistance to residents.               <ul style="list-style-type: none"> <li>2001 – 16 agencies</li> <li>2002 – 13 agencies</li> <li>2003 – 13 agencies</li> <li>2004 – 17 agencies</li> <li>2005 – 12 agencies</li> <li>2006 – 8 agencies</li> <li>2007 – 7 agencies</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Evaluate on an annual basis allocation of CDBG Funds to social service agencies.</li> </ul>
10. Section 8 Rental Assistance	Redevelopment Department; OCHA	HUD	<ul style="list-style-type: none"> <li>Facilitate use of the Section 8 program by advertising in City Newsletter the opportunity for owners to list available rentals with the County Housing Authority.</li> </ul>	<ul style="list-style-type: none"> <li>City distributed applications for Section 8 program (County administered program)</li> </ul>	<ul style="list-style-type: none"> <li>Continue to distribute applications and provide information regarding the Section 8 program.</li> <li>Provide a link to County housing programs on the City's website.</li> </ul>
11. Conservation of Existing and Future Affordable Units	Redevelopment Department	County Multi-Family Revenue Bonds	<ul style="list-style-type: none"> <li>Monitor at-risk Trabuco Woods project</li> <li>Explore options to refinance bonds at Trabuco Woods</li> <li>Work with potential priority purchasers interested in purchasing and/or managing at-risk units</li> <li>Conduct tenant education in at-risk developments</li> </ul>	<ul style="list-style-type: none"> <li>During 2001-2006 County Multi-Family Revenue Bonds provided 291 affordable units each year.</li> <li>All bonds were re-issued by County, bond maturity approximately 2028</li> </ul>	<ul style="list-style-type: none"> <li>Maintain contact with providers and managers of subsidized units</li> <li>Evaluate on an annual basis potential opportunities to assist with RDA funds.</li> <li>Explore the use of RDA assistance to extend existing covenant units by purchasing additional term to 55 years on the bonds that were recently reissued on several apartment projects.</li> <li>Explore creation of an affordable housing land trust to facilitate the provision of affordable housing.</li> <li>Explore partnership with applicants for condominium conversions to encourage provision of 15% affordable units and/or to preserve existing affordable units.</li> </ul>
<b>REHABILITATE THE CITY'S EXISTING SINGLE-FAMILY AND MULTI-FAMILY HOUSING STOCK</b>					
12. Owner Occupied Rehabilitation	Redevelopment Department	CDBG	<ul style="list-style-type: none"> <li>Continue to allocate CDBG funds to meet rehabilitation needs of lower income groups.</li> <li>Goal to assist approximately 36 low income households annually with rehabilitation and home repair loans.</li> </ul>	<ul style="list-style-type: none"> <li>Rehabilitation loans issued each year using CDBG funds:               <ul style="list-style-type: none"> <li>2001 – 25 loans</li> <li>2002 – 12 loans</li> <li>2003 – 19 loans</li> <li>2004 – 12 loans</li> <li>2005 – 13 loans</li> <li>2006 – 20 loans</li> </ul> </li> <li>Total number of households based on number of qualified applicants.</li> </ul>	<ul style="list-style-type: none"> <li>Augment CDBG funding for the Housing Rehabilitation Loan Program with Agency Housing Set-Aside.</li> </ul>



Program	Responsible Agency	Funding Source	Program Objectives	Accomplishments	Future Policies and Actions
13. Code Enforcement	Development Services Department; Redevelopment Department	CDBG, General Fund	<ul style="list-style-type: none"> <li>Dedicated Code Enforcement Officer to provide pro-active enforcement activities in the City's ten Neighborhood Preservation Areas.</li> <li>Provide property owners in violation of City Codes with information regarding available rehabilitation assistance</li> </ul>	<ul style="list-style-type: none"> <li>Focused enforcement in Neighborhood Preservation Areas continuously throughout the planning period.</li> <li>Code Enforcement inspectors continue to inform property owners of rehabilitation assistance through the City's Housing Rehabilitation Loan Program.</li> </ul>	<ul style="list-style-type: none"> <li>Continue Code Enforcement Program.</li> <li>Provide pro-active enforcement activities in the City's ten Neighborhood Preservation Areas.</li> <li>Provide property owners in violation of City Codes with information regarding available rehabilitation assistance.</li> </ul>
14. Neighborhood Preservation Program	Development Services Department; Redevelopment Department	CDBG, General Fund	<ul style="list-style-type: none"> <li>Provide funding for code enforcement in target areas</li> <li>Sponsor Neighborhood Pride Clean Up Day in target areas</li> <li>Inform eligible owners about City's rehabilitation program for assistance in making repairs</li> </ul>	<ul style="list-style-type: none"> <li>Code Enforcement inspections in CDBG Target Areas:               <ul style="list-style-type: none"> <li>2001 – 3,310</li> <li>2002 – 1,841</li> <li>2003 – 1,148</li> <li>2004 – 1,561</li> <li>2005 – 2,650</li> <li>2006 – 1,518</li> </ul> </li> <li>Sponsor Neighborhood Pride Paint Project citywide with emphasis on CDBG Target Areas. Program provides exterior painting of homes for low income families:               <ul style="list-style-type: none"> <li>2001 – 6 homes</li> <li>2002 – 6 homes</li> <li>2003 – 10 homes</li> <li>2004 – 7 homes</li> <li>2005 – 11 homes</li> <li>2006 – 10 homes</li> </ul> </li> <li>Sponsor Neighborhood Cleanup days in Single-Family Neighborhoods:               <ul style="list-style-type: none"> <li>FY 2001-02 – 2020 homes</li> <li>FY 2003-04 – 1341 homes</li> <li>FY 2004-05 – 1858 homes</li> <li>FY 2005 -06 – 1193 homes</li> </ul> </li> <li>Code Enforcement inspectors continue to inform property owners of rehabilitation assistance through the City's Housing Rehabilitation Loan Program.</li> </ul>	<ul style="list-style-type: none"> <li>Continue Neighborhood Preservation Program, including Code Enforcement, Neighborhood Pride Paint Project and Neighborhood Cleanup days.</li> <li>Provide funding for code enforcement in target areas.</li> <li>Periodically sponsor Neighborhood Pride Clean-Up Day in target areas.</li> <li>Inform eligible owners about City's rehabilitation program for assistance in making repairs.</li> <li>Evaluate comprehensive preservation strategies for specific target area neighborhoods.</li> </ul>
<b>PROVIDE HOUSING OPPORTUNITIES FOR FIRST-TIME HOMEBUYERS</b>					
15. First-Time Homebuyer Assistance	Redevelopment Department	SCHFA, CCHOA	<ul style="list-style-type: none"> <li>Participate in SCHFA program, and provide information to residential realtors</li> <li>Pursue participation in CCHOA Lease-to-Own program</li> <li>Assist CCHOA in outreach</li> </ul>	<ul style="list-style-type: none"> <li>Program discontinued by County. No activities pursued in 2006.</li> </ul>	<ul style="list-style-type: none"> <li>Evaluate City participation in first-time homebuyer programs on a case-by-case basis as programs become available.</li> </ul>

Program	Responsible Agency	Funding Source	Program Objectives	Accomplishments	Future Policies and Actions
16. Mortgage Credit-Certificates	Redevelopment Department	State Tax Income, General Fund	<ul style="list-style-type: none"> <li>Continue to participate in MCC program</li> <li>Provide program information to residents</li> <li>Seek to assist 5-10 first-time homebuyers annually</li> </ul>	<ul style="list-style-type: none"> <li>Orange County Mortgage Credit Certificate Program assistance:  2001 – 4 households  2002 – 2 households  2003 – 5 households  2004 – 1 household  2005 – 0  2006 – program put on indefinite hold by County</li> </ul>	

**Table A-2**  
**Appropriateness of Housing Element Goals and Policies**  
**City of Lake Forest**  
**2001 – 2007**

Goal	Policy	Appropriateness
<b>Goal 1 – Adequate housing to meet the existing and future needs of Lake Forest residents.</b>		
	<b>Policy 1.1:</b> Ensure the provision of a variety of housing opportunities (ownership and rental) in Lake Forest including low-density single-family homes, moderate-density townhomes, higher-density apartments and condominiums, and mobile homes to fulfill regional housing needs.	Appropriate - retain
	<b>Policy 1.2:</b> Facilitate the development of affordable housing by offering development incentives.	Appropriate - retain
	<b>Policy 1.3:</b> Encourage development of City's remaining Medium Density housing sites with multi-family housing.	Appropriate - retain
	<b>Policy 1.4:</b> Ensure that the design of new residential development is compatible with that of existing residences.	Appropriate - retain
	<b>Policy 1.5:</b> Encourage the development of residential units whose design and market intent is to meet the needs of special groups, such as the elderly, the physically challenged and those in need of temporary emergency shelter.	Appropriate - retain
	<b>Policy 1.6:</b> Encourage the development of new housing units in close proximity to public transportation and community services.	Appropriate - retain
	<b>Policy 1.7:</b> Evaluate sites within the El Toro Road Specific Plan/Redevelopment Area for potential mixed-use development.	Appropriate - retain
	<b>Policy 1.8:</b> Remove or reduce governmental constraints on affordable housing development, while maintaining compatibility with surrounding development.	Appropriate - retain
	<b>Policy 1.9:</b> Support the provision of housing services in meeting the housing needs of Lake Forest residents.	Appropriate - retain
	<b>Policy 1.10:</b> Encourage residential developments to incorporate a minimum of 15% affordable units.	Appropriate - retain
	<b>Policy 1.11:</b> Identify potential sites in the City to expand housing opportunities through public/private partnerships.	Appropriate - retain
<b>Goal 2 – Maintenance and enhancement of the quality of existing residential neighborhoods.</b>		
	<b>Policy 2.1:</b> Improve the overall quality and conditions of existing housing in Lake Forest.	Appropriate - retain
	<b>Policy 2.2:</b> Continue to offer rehabilitation and home improvement assistance to low- and moderate-income households, mobile home park residents and seniors.	Appropriate - retain
	<b>Policy 2.3:</b> Undertake comprehensive neighborhood improvements in the City's targeted neighborhoods, including focused code enforcement and neighborhood clean-up days.	Appropriate - retain
	<b>Policy 2.4:</b> Work to preserve restricted low-income housing in the City that is at-risk of converting to non-low-income use.	Appropriate - retain
	<b>Policy 2.5:</b> Continue to support tenant purchase of mobile home parks.	Appropriate - retain
<b>Goal 3 – Increased opportunities for home ownership.</b>		
	<b>Policy 3.1:</b> Encourage the development of affordable home ownership housing for first-time homebuyers.	Appropriate - retain
	<b>Policy 3.2:</b> Pursue state and federal funding sources to provide favorable home purchase options to low- and moderate-income households.	Appropriate - retain

**Table A-3**  
**Residential Development by Income Category**  
**City of Lake Forest**  
**1998-2008**

Project	Zoning	Density	1998 - 2005				Total	2006 - 2008				Total
			Very Low	Low	Mod	Upper		Very Low	Low	Mod	Upper	
Bellecour Way (Formerly known as Alexan Bellecour)	R2	22 du/ac (gross)	6*	5*	37	83	131					
Second units									2			2
Totals			6	5	37	83	131		2			2

\*Deed-restricted units

**Table A-4**  
**Progress in Achieving Quantified Objectives – 2001-2007**

Program Category	Quantified Objective	Progress	
		2001-05	2006-08
New Construction*			
Very low	73	0	
Low	7	4	
Moderate	27	44	
Above moderate	76	83	0
Total	183	131	0
Rehabilitation			
Very Low	0	59	21
Low	36	19	9
Moderate	0		
Above Moderate	0		
Total	36	78	30
Conservation			
Very low and low	14	0	
Total	14	0	0

\*Quantified objectives for new construction are for 1998 - 2005 RHNA period



## Appendix B – Land Inventory

This appendix provides additional detail regarding the land inventory analysis of potential affordable housing development during the current RHNA period (2006 – 2014), as summarized in Chapter III, Resources and Opportunities, Tables III-2 and III-3.

### ASSUMPTIONS REGARDING AFFORDABILITY

Although the “default density”<sup>21</sup> for Lake Forest and most other cities in Orange County is 30 units per acre, past experience has demonstrated that affordable housing is feasible at a density in the range of 20-25 units per acre. As noted in Table A-3, one new multi-family project, Bellecour Way (formerly called Alexan Bellecour), was built in Lake Forest during the prior planning period. That project was built at a density of 22 units per acre and included 6 affordable units, 4 low-income and 2 moderate-income units, all with deed restrictions requiring long-term affordability. In addition, many other affordable projects at similar densities have recently been developed in other parts of Orange County (see Table B-1). These include Casa de Esperanza (14.5 units/acre) in Stanton, Mendocino (20 units/acre) and Escalones Nuevos (22 units/acre) in San Clemente, and Laguna Canyon (21 units/acre), Ability First (12 units/acre), Windrow (21 units/acre) and Montecito Vista (23 units/acre) in Irvine. Based on these numerous examples, the allowable density of 25 units/acre in Lake Forest is not a significant constraint to affordable housing development.

### POTENTIAL SITES FOR HOUSING DEVELOPMENT

#### *Saddleback Ranch Apartments*

The Saddleback Ranch Apartments property (APN 613-351-05) encompasses approximately 34 gross acres and is developed with an existing apartment project containing 305 units. An analysis of key issues regarding the redevelopment potential of this site is as follows:

Realistic capacity. Portions of the site are encumbered by the A or AE flood zone. A GIS analysis of the site (Figure B-1) shows that the property contains two developable areas that roughly correspond to the areas with existing apartments. Using a 20-foot setback from all property lines (tan buffer on exhibit) and a 10-foot setback from any flood zone (blue buffer on exhibit), the property has approximately 18 net developable acres. Based on the net site area, the existing project density is approximately 17 units/acre.

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<sup>21</sup> As defined by State Housing Element Law

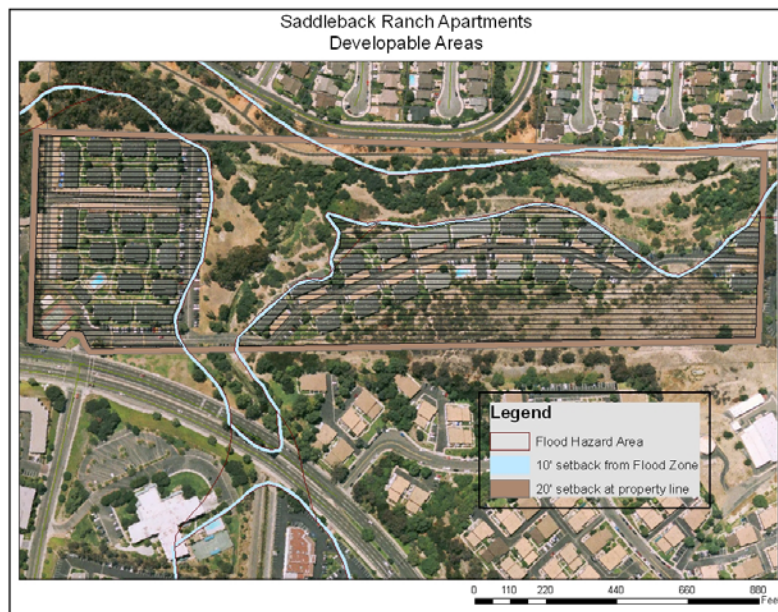
**Table B-1**  
**Affordable Projects with Densities of 25 units/acre or Less**  
**Orange County**

Project/Location	Year Built or Acquired	Total Units	General Plan	Zoning	Allowable Density (du/ac)	Project Density (du/ac)	Affordability/ Assistance Level
Casa de Esperanza/Stanton	2003	10	Unknown	Unknown	Unknown	14.50	30% AMI
Mendocino at Talega/San Clemente	2003	186	Unknown	Unknown	Unknown	20.0	50 and 60% AMI
Escalones Nuevos/San Clemente	2002	6	Residential Medium Density	Residential Medium Density	Unknown	21.8 units per acre	50% AMI
Laguna Canyon/Irvine	2006	120	Unknown	Medium Density Residential	Unknown	20.98	30 and 50%
Ability First Apartments/Irvine	2008	24	Medium Density Residential	2.3D Medium Density Residential	Unknown	12 units per acre	30% AMI
Windrow Apartments/Irvine	2006	96	Medium High Density residential	2.4C Medium-High Density Residential	Unknown	20.96	30 & 50% AMI
Montecito Vista Apartments/Irvine	2006	162	Unknown	Research and Industrial	Unknown	22.98	30,50 and 60% AMI

Source: Orange County Housing & Community Services Dept, 1/2008



**Figure B-1**  
**Saddleback Ranch Apartments**  
**Developable Areas**



The property is zoned R2 (Multi-Family Dwellings), which provides the following development standards:

Building Height	35' maximum
Area Per Unit	1,000 square feet minimum
Distance between Principal Structures	10' minimum
Setbacks	Front 20' Side 5' Rear 25'

Staff has reviewed local recent examples of apartment projects in other locations that meet the allowable densities within the building height limits and with adequate onsite parking. Based on current development standards and the site size, it is reasonable to assume that a 450-unit project at a density of 25 units/acre (18 net developable acres x 25 du/acre = 450 units) could be constructed on the site with adequate parking and amenities. Should improvements to the adjacent flood control channel be made, net developable area may increase.

Given this information, should a full redevelopment of the site occur, it is reasonable to assume that 450 units could be accommodated. However, a partial redevelopment of the site could occur whereby only a portion of the site is redeveloped or intensified, or where a currently unused portion of the site is developed. Therefore, there are multiple scenarios that would achieve the development of 29 units on this property, a portion of which can be assumed to be affordable. The property owner has acknowledged the opportunities for development on this property and has expressed a willingness to work with the City when market conditions permit.

**Figure B-2  
Saddleback Ranch Apartments  
Photographs**

The following photos illustrate the existing development on the Saddleback Ranch Apartments site.



*Extent that existing uses may constitute an impediment:* The Saddleback Ranch Apartments are currently occupied and the vacancy rate at the site fluctuates over time. Because the existing apartments are occupied, a relocation plan may be necessary if existing units were displaced by new development. Because it is unknown whether a full or partial redevelopment of the property would occur, it is unknown whether relocation would be necessary. Additionally, future phasing of the project could be timed to take advantage of the presence of two distinct buildable areas on the site. While this presents a constraint on the timing of development, it does not preclude or diminish the development capacity of the site.

*Development Trends/Market Conditions/Interest from Developers:* Recent trends in apartment development include designs that accommodate more amenities and the use of garages for a portion of the required off-street parking. The existing Saddleback Ranch Apartment development is very low density in comparison to current developments, with few amenities and limited use of garages for parking. Developers have indicated that market conditions generally dictate a more compact apartment product type.

*Development Incentives:* In the past, the City of Lake Forest has provided developer incentives in the form of reduced permit fees and assistance with permit processing. Developer incentives are determined on a case-by-case basis and Redevelopment Agency funding may be provided as an incentive for affordable housing.

*Affordability:* With City involvement similar to the scenario for the Bellecour Way apartments, it can be assumed that the 6 very-low- and 5 low-income units in the City's RHNA allocation could be accommodated at the Saddleback Ranch Apartment site. Programs 1 and 3 in Chapter V of the Housing Element addresses the potential for City assistance to ensure affordability.

### ***Opportunity Study Area***

On July 1, 2008 the City Council adopted a General Plan Amendment (GPA) and Zone Change (ZC) for the "Opportunities Study Area" (OSA). The OSA was formerly encumbered by aircraft noise from Marine Corps Air Station (MCAS) El Toro and was therefore restricted to non-residential land uses. As a result of the GPA and ZC, 356 acres of land became available for development of up to 1,923 residential units on four separate properties.

On July 20, 2010 the City Council adopted a GPA and ZC for the fifth and final property within the OSA. This property, the Shea-Baker property, covers approximately 380 acres and is planned for between 1,900 and 2,800 new homes, bringing the total potential OSA development to over 4,700 units. While the exact timing of development within the OSA has not been determined, it is anticipated that a significant amount of activity will occur when market conditions improve.

As part of the OSA GPA and ZC five properties have been designated for a variety of residential and mixed use in the City's General Plan. The land uses anticipated for this area include a combination of single-family homes of varying sizes, condominiums, and apartments. The following table illustrates the anticipated projects within the OSA.

### Opportunities Study Area Sites

Site	Zoning	Size (acres)
Portola Center <sup>1</sup>	Single-Family Residential (SFR)	98
	Medium Density Residential (MDR)	25
	Mixed Use (MU)	5
IRWD <sup>2</sup>	Multi-Family Dwellings/Planned Dev. (R2-PD)	82
The Pinnacle <sup>3</sup>	Medium Density Residential	18
Whisler <sup>4</sup>	Single-Family Dwellings/Planned Dev. (RS-PD)	13
Shea-Baker Ranch <sup>5</sup>	Residential	319
	Mixed Use	51

1 Portola Hills Planned Community, Amended July 2008 by ZC 2008-02. This summary includes only the undeveloped residential planning areas within Portola Center.

2 ZC 2008-03. R2- Multi-Family Dwellings District (LFMC 9.56). PD-Planned Development District (LFMC 9.124).

3 Serrano Highlands Planned Community, Amended July 2008 by ZC 2008-05

4 ZC 2008-04. RS-Residential Single-Family District (LFMC 9.48). PD-Planned Development District (LFMC 9.124).

5 Baker Ranch Planned Community, Amended July 20, 2010 by ZC 5-10-1234.

As a condition of approval, the owner of each OSA property has entered into a Development Agreement (DA) with the City in order to effectuate the General Plan Amendment and Zone Change. Each of the Development Agreements deals with the provision of affordable housing based upon the size of the future development. For example, an Affordable Housing Implementation Plan (AHIP) is required for the largest properties, Portola Center and Shea-Baker Ranch.

The AHIP for Portola Center was executed as part of the Development Agreement recorded on August 1, 2008. The AHIP sets forth a point system “to provide incentives for the provisions of certain types of affordable housing in order to meet the needs of the community.” The required number of points will be equal to 15% of the total number of units approved. A minimum threshold of 8.5% is included due to the structure of the point system to ensure a minimum amount of affordable housing is provided. Therefore, a minimum of 79 affordable units (8.5% x 930 total market rate units) are required on the Portola Center property. Of those 79 units, only one-third may be affordable to moderate-income households, meaning a minimum of 52 units (66% of 79 affordable units) would be affordable to lower-income households.

The same point system is included within the AHIP for Shea-Baker Ranch. Based upon the minimum number of units allowed in the Shea-Baker project (1,957), approximately 166 affordable units would be required by the AHIP. Of those 166 units, only one-third may be affordable to moderate-income households, meaning a minimum of 109 (66% of 166 units) would be affordable to lower-income households. In addition, Shea-Baker Ranch has the option to dedicate land to the City with a deed restriction permanently designating the land for affordable housing.

The Development Agreement provides the option of paying a fee in-lieu of providing affordable units on site for the Pinnacle and Whisler projects. Use of an in-lieu fee by the Portola Center would require approval of the City Council. Program 22 in the Housing Action Plan (Chapter V) provides for annual monitoring of the AHIPs for those projects with approved development agreements.

The two smaller OSA sites are designated for Low Density Residential development. Pursuant to the DAs, the developers of these properties will be permitted to pay an in-lieu fee for affordable housing. Tables III-2 and III-3 include the latest available information regarding the anticipated future development on the OSA properties. The amount of anticipated development exceeds the City's 2008-2014 RHNA allocation.

### ***Second Units***

Two new second units were built in 2006-07. These units are credited in the low-income category. Second units are often occupied by family members with no contract rent. If they are rented, studio or 1-bedroom units rent within the low category, currently (2009) up to \$1,488 per month for a 2-person household based on state and federal income limits. Since an average of one new second unit has been built each year during the new planning period, it is assumed that this rate of development will continue through 2014, for an additional 6 low-income units.

### ***Summit Crest Development***

The City approved a 29-unit single-family development in 2006 known as "Summit Crest." Grading for the project commenced in 2007 and it was initially anticipated that the homes would be completed during 2008 and 2009. However, during early 2008 the project's developer filed for bankruptcy and activity on the site ceased. The property was recently purchased by a new owner and it is anticipated that the homes will be completed during 2010-2011. These homes will be market-rate and are assumed to be above-moderate income.

### **SUMMARY**

Given the new capacity for residential development now available in the OSA, the realistic capacity of the Saddleback Ranch Apartment site, anticipated growth in second units, and the pending development of the Summit Crest residential site, the City has adequate capacity to meet the RHNA allocation for this planning period.



## Appendix C – Public Participation Summary

Section 65583(c)(5) of the *Government Code* states that "The local government shall make diligent effort to achieve public participation of all the economic segments of the community in the development of the housing element, and the program shall describe this effort." Public participation played an important role in the formulation and refinement of the City's housing goals and policies and in the development of a Land Use Plan which determines the extent and density of future residential development in the community."

City residents had several opportunities to recommend strategies, review, and comment on the Lake Forest Housing Element. Two community workshops were held, followed by meetings of the Planning Commission and City Council. Following review by the State Department of Housing and Community Development (HCD), a Revised Draft Housing Element was discussed by the Planning Commission and City Council in public meetings prior to submittal of the revised document to HCD. Meeting notices were posted on the City's website, and notification was published in the local newspaper in advance of the meetings. Copies of the draft Element were made available for review at City Hall and were posted on the City website, and notices were sent directly to agencies that serve the City's special needs populations and to others who requested to receive such notification. These service providers and interested parties included organizations that represent the housing interest groups. Table C-1 provides a summary of public comments while Table C-2 includes the public notification distribution list.

The following is a list of opportunities for public involvement in the preparation of this Housing Element update.

Public Workshop #1	September 25, 2007
Public Workshop #2	October 9, 2007
Planning Commission hearing	March 27, 2008
City Council hearing	April 1, 2008
Planning Commission hearing	August 13, 2009
City Council hearing	September 1, 2009
Planning Commission hearing	August 12, 2010
City Council hearing	September 21, 2010



**Table C-1**  
**Summary of Public Comments**  
**City of Lake Forest 2008 Housing Element Update**

Comment	Response
The City's RHNA is very low. Lake Forest should do more.	The City recently adopted a major General Plan Amendment allowing significant new residential development in the Opportunities Study Area. This area was formerly encumbered by the aircraft noise impact zone from El Toro Marine Corps Air Station and was not available for residential development.
The City should consider mixed-use and mixed-income projects.	The Housing Element contains a program to study the potential for mixed-use development along the El Toro Road corridor (Program 4). In addition, the recently adopted General Plan Amendment for the Opportunities Study Area includes areas designated for mixed-use.
Policies are needed allowing accessible housing for persons with disabilities and housing that allows seniors to "age in place"	In addition to ADA compliance, the Housing Element contains Program 14 to encourage special needs housing and universal design.
Need more affordable housing for large families	Program 3 recognizes the need for affordable housing for large families.
CDBG/HOME funding to assist development of second units?	These funds cannot be used for development of new units.
Child care facilities are needed in affordable housing developments	Program 14 encourages the provision of childcare in new affordable developments
Accessible playground equipment for children with disabilities is needed in new developments	Program 14 encourages the provision of childcare and special needs services in new affordable developments
Driveways should be wider (both residential and commercial). Parkways and sidewalks should be wider.	The City's design standards are generally established by widely accepted engineering principles and are consistent with other jurisdictions. While wider sidewalks and landscaped parkways are desirable, they result in higher cost, which affects affordability.
Need CC&Rs in new development to restrict group homes.	Group homes address the needs of persons with disabilities, and must be allowed by state law.
Are the school needs of new residents taken into account?	School districts are separate governmental entities from the City, and are responsible for planning, building and operating a public school system to accommodate the needs of the community. School districts have a separate source of funding from cities.
There are over 1,000 mobile homes in Lake Forest, and 3 parks with over 800 units are on ground leases that will expire after 2014. What options are available to preserve this source of affordable housing? Owner purchase?	The mobile home park ground leases do not expire during this Housing Element period.
Some lower-income persons are dependent on public transit – affordable housing should be built near bus routes.	The City's land use plans are designed to place higher-density housing near jobs and transit routes. The majority of the transit routes within the City travel the major arterials
Traffic congestion is bad – the City should consider traffic impacts before approving more housing.	The planning process includes a thorough review of traffic impacts. Housing located near employment areas can reduce trips and congestion.



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**Table C-2**  
**Public Notice Distribution List**

Kathleen Freen  
29001 Canyon Vista  
Trabuco Canyon, CA 92679

Teryll Hopper  
Orange County Assoc of Realtors  
25552 La Paz Road  
Laguna Hills, CA 92653

Roseanne Andres  
Orange County United Way  
18012 Mitchell Ave South  
Irvine, 92614

John Mobley  
23671 Dune Mear Rd  
Lake Forest, CA 92630

Cesar Covarrubias  
Kenney Commission  
17701 Cowan Ave., Suite 200  
Irvine, CA 92614

Bryan Star  
BIA Orange County Chapter  
17744 Sky Park Circle, Suite 170  
Irvine, CA 92614

Wallace Walrod  
OC Business Council  
2 Park Plaza, Suite 100  
Irvine, CA 92614

Jamboree Housing  
17701 Cowan Avenue, Suite 200  
Irvine, CA 92614

Shelly Amendola  
Orange County Housing Providers  
25241 Paseo de Alicia, Suite 120  
Laguna Hills, CA 92653

Jim Gardner  
22744 Bayshore Lane  
Lake Forest, CA 92630

Gene Spindler  
130 Vantis, Suite 200  
Aliso Viejo, CA 92656

Chris Holland  
24414 Overlake Lane  
Lake Forest, CA 92630

Jerry Verplancke  
25625 Orchard Rim Ln  
Lake Forest, CA 92630

Roseanne Kotzer  
Kennedy Commission  
17701 Cowan Ave., Suite 200  
Irvine, CA 92614

Marcia Rudolph  
24922 Muirlands, Space 139  
Lake Forest, CA 92630

Linda Tang  
Kennedy Commission  
17701 Cowan Ave., Suite 200  
Irvine, CA 92614

Terri Graham  
24295 Ponchartrain  
Lake Forest, CA 92630

Marion Duffy  
ERA Real Estate  
24966 Valley Rim  
Lake Forest, CA 92630

Janice Tillmans  
25601 Orchard Rim Lane  
Lake Forest, CA 92630

Kathryn McCullough  
24432 Twig Street  
Lake Forest, CA 92630

Elizabeth Wallace  
19241 Jasper Hill Drive  
Trabuco Canyon, CA 92679

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**Table C-3**  
**Comments Received on May 2010 Public Review Draft and Initial Study/Negative Declaration**

Comments letters and/ or e-mails were received from 18 individuals and one responsible agency during the public review period for the Initial Study and Negative Declaration which occurred between May 26 and June 28, 2010. A response was provided to the commenters on August 2, 2010 and is included within the Final Initial Study/Negative Declaration.

## Appendix D Residential Impact Fees

### CITY OF LAKE FOREST REVISED ROAD FEE PROGRAMS SCHEDULES EFFECTIVE JULY 1, 2009

FOOTHILL CIRCULATION PHASING PLAN FEE PROGRAM				
NON-PARTICIPATING FCPP LANDOWNERS				
LAND USE		ZONE 1	ZONE 2	ZONE 8
Single Family	per unit	\$3,785.00	\$5,198.00	\$4,015.00
Multi-Family	per unit	\$3,362.00	\$4,157.00	\$3,220.00
Non Residential	per sq. ft.	\$3.780	\$4.670	\$3.627

FOOTHILL CIRCULATION PHASING PLAN FEE PROGRAM				
PARTICIPATING FCPP LANDOWNERS				
LAND USE		ZONE 1	ZONE 2	ZONE 8
Single Family	per unit	\$2,700.00	\$3,340.00	\$2,580.00
Multi-Family	per unit	\$2,160.00	\$2,670.00	\$2,070.00
Non Residential	per sq. ft.	\$2.43	\$3.00	\$2.33

FOOTHILL EASTERN TRANSPORTATION CORRIDOR			
LAND USE		ZONE A	ZONE B
Single Family	per unit	\$4,764.00	\$3,391.00
Multi-Family	per unit	\$2,782.00	\$1,974.00
Non Residential	per sq. ft.	\$6.62	\$3.84

SANTIAGO CANYON ROAD FEE PROGRAM			
LAND USE		F.H. RANCH	L.F.
Single Family	per unit	\$32.29	\$662.00
Multi-Family	per unit	\$27.44	\$530.00
Non Residential	per sq. ft.	\$0.031	\$0.58

EL TORO ROAD FEE PROGRAM		
LAND USE		
RESIDENTIAL - Low Density	per unit	\$1,329.00
RESIDENTIAL - Medium Density	per unit	\$1,112.00
RESIDENTIAL - High Density	per unit	\$686.00
REGIONAL SHOP. CENTER	per acre	\$34,269.00
NEIGHBORHOOD COMMERCIAL	per acre	\$77,176.00
OFFICE COMMERCIAL	per acre	\$19,210.00
INDUSTRIAL	per acre	\$6,694.00

### SCHOOL FEE SCHEDULE EFFECTIVE AUGUST 9, 2008

SADDLEBACK VALLEY UNIFIED SCHOOL DISTRICT		
LAND USE		
RESIDENTIAL	per square foot	\$2.97
COMMERCIAL/INDUSTRIAL	per square foot	\$0.47
HOTEL/MOTEL	per square foot	\$0.392



## Appendix E

### Foothill Ranch and Portola Hills Census Data

Chapter II of the Housing Element contains a variety of population and housing data for Lake Forest from the 2000 U.S. Census. The communities of Foothill Ranch and Portola Hills that are now part of Lake Forest were annexed to the city after the 2000 Census was compiled and therefore are not reflected in the 2000 Census data published for the City. This appendix contains a variety of Census information for these annexation areas, and should provide a better understanding of the demographic characteristics of the geographic area that is now within the City boundaries.

This additional data does not require any changes to the City's housing needs assessment in Chapter II or the policies and programs described in Chapter V. In particular, it should be noted that the regional housing growth needs assigned to the City for this planning period were adopted in 2007 by the Southern California Association of Governments integrated growth forecast and utilized more recent data than the 2000 census<sup>22</sup>.

**Table E-1**  
**Age Distribution**  
**Lake Forest, Foothill Ranch and Portola Hills**

Age Group	Lake Forest*		Foothill Ranch CDP**		Portola Hills CDP**	
	Persons	%	Persons	%	Persons	%
Under 18 years	17,343	28.8%	3,438	31.5%	2,101	32.9%
18 to 24 years	4,679	7.8%	445	4.1%	389	6.1%
25 to 44 years	19,556	32.5%	5,173	47.5%	2,646	41.4%
45 to 64 years	13,598	22.6%	1,594	14.6%	1,070	16.7%
65 to 74 years	2,332	3.9%	167	1.5%	125	2.0%
75 to 84	1,686	2.8%	65	0.6%	45	0.7%
85 and over	1,033	1.7%	17	0.2%	15	0.2%
Total	60,227	100.0%	10,899	100.0%	6,391	100.0%
Median Age	35.1		32.5		33.0	

Source: 2000 Census, Table QT-P1

\*City boundaries as of 4/1/2000

\*\*Census Designated Place

<sup>22</sup> For more information regarding the RHNA methodology, refer to [http://www.scag.ca.gov/Housing/pdfs/rhna/RHNA\\_Methodology\\_rc020107.pdf](http://www.scag.ca.gov/Housing/pdfs/rhna/RHNA_Methodology_rc020107.pdf)

**Table E-2**  
**Race/Ethnicity**  
**Lake Forest, Foothill Ranch and Portola Hills**

	Lake Forest*		Foothill Ranch CDP**		Portola Hills**	
	Persons	%	Persons	%	Persons	%
Not Hispanic or Latino	47,794	81.4%	9,716	89.1%	5,750	90.0%
-White	44,629	76.0%	7,443	68.3%	4,998	78.2%
-Black or African American	1,073	1.8%	199	1.8%	101	1.6%
-American Indian/Alaska Native	295	0.5%	21	0.2%	14	0.2%
-Asian	5,693	2.6%	1,607	14.7%	425	6.6%
-Native Hawaiian/Pacific Islander	120	0.1%	28	0.3%	8	0.1%
-Other races or 2+ races	6,897	11.7%	418	3.8%	204	3.2%
Hispanic or Latino (any race)	10,913	18.6%	1,183	10.9%	641	10.0%
Total	58,707	100.0%	10,899	100.0%	6,391	100.0%

Source: 2000 Census, SF1 Table P4

\*City boundaries as of 4/1/2000

\*\*Census Designated Place

**Table E-3**  
**Household Composition**  
**Lake Forest, Foothill Ranch and Portola Hills**

Type	Lake Forest*		Foothill Ranch CDP**		Portola Hills**	
	Households	%	Households	%	Households	%
Total Households	20,008	100.0%	3,816	100.0%	2,164	100.0%
Families	14,741	73.7%	2,977	78.0%	1,730	79.9%
-w/children under 18	6,279	31.4%	1,906	49.9%	1,134	52.4%
Non-family households	5,267	26.3%	839	22.0%	434	20.1%
-single living alone	3,881	19.4%	623	16.3%	302	14.0%
Average household size	2.89		2.86		2.95	

Sources: US Census 2000, SF1 Tables P18 &amp; H-12

\*City boundaries as of 4/1/2000

\*\*Census Designated Place

**Table E-4**  
**Household Tenure**  
**Lake Forest, Foothill Ranch and Portola Hills**

Tenure	Lake Forest*		Foothill Ranch CDP**		Portola Hills**	
	Units	%	Units	%	Units	%
Owner Occupied	14,422	72%	2,922	77%	2,005	93%
Renter Occupied	5,702	28%	894	23%	159	7%
Total occupied units	20,124	100%	3,816	100%	2,164	100%

Source: 2000 Census, QT-H1 and H7

\*City boundaries as of 4/1/2000

\*\*Census Designated Place

**Table E-5**  
**Overcrowding**  
**Lake Forest, Foothill Ranch and Portola Hills**

Household Tenure	Lake Forest*		Foothill Ranch CDP**		Portola Hills**	
	Households	%	Households	%	Households	%
Owner-Occupied	14,422	100%	2,945	100%	2,002	100%
Overcrowded	423	2.9%	40	1.4%	47	2.3%
Severely overcrowded	242	1.7%	9	0.3%	11	0.5%
Renter-Occupied	5,702	100%	899	100%	162	100%
Overcrowded	382	6.7%	20	2.2%	26	16.0%
Severely overcrowded	690	12.1%	60	6.7%	0	--

Source: 2000 Census, SF3 Table H20

\*City boundaries as of 4/1/2000

\*\*Census Designated Place

**Table E-6**  
**Labor Force**  
**Lake Forest, Foothill Ranch and Portola Hills**

	Lake Forest*		Foothill Ranch CDP**		Portola Hills**	
	Persons	%	Persons	%	Persons	%
In labor force	32,407	72.6%	6,053	79.4%	3,534	79.9%
-Work at home	1,255	3.9%	255	4.3%	84	2.5%
Not in labor force	12,231	27.4%	1,571	20.6%	889	20.1%
-With social security income	3,169	7.1%	184	4.8%	129	6.0%
Total population age 16+	44,638	100%	7,624	100%	4,423	100%

Source: 2000 Census, DP-3

\*City boundaries as of 4/1/2000

\*\*Census Designated Place

**Table E-7**  
**Employment by Occupation**  
**Lake Forest, Foothill Ranch and Portola Hills**

	Lake Forest*		Foothill Ranch CDP**		Portola Hills**	
	Persons	%	Persons	%	Persons	%
Management, professional and related	12,920	41.3%	3,315	55.8	1,555	45.3
Service	3,709	11.9%	447	7.5	239	7
Sales and office	10,359	33.1%	1,748	29.4	1,240	36.1
Farming, fishing and forestry	26	0.1%	0	0	0	0
Construction, extraction, and maintenance	1,859	5.9%	220	3.7	156	4.5
Production, transportation, and material moving	2,409	7.7%	213	3.6	245	7.1
Total employed residents	31,282	100%	5,943	100%	3,435	100%

Source: 2000 Census, DP-3

\*City boundaries as of 4/1/2000

\*\*Census Designated Place

**Table E-8**  
**Job Location for Residents**  
**Lake Forest, Foothill Ranch and Portola Hills**

	Lake Forest*		Foothill Ranch CDP**		Portola Hills**	
	Persons	%	Persons	%	Persons	%
Work in Orange County	28,146	91.5%	5,142	86.7%	2,969	87.3%
-Work in city of residence	4,790	15.6%	na	na	na	na
-Work elsewhere in Orange County	23,356	75.9%	na	na	na	na
Work in another California county	2,451	8.0%	773	13.0%	377	11.1%
Work outside California	180	0.6%	15	0.3%	54	1.6%
<b>Total employed residents age 16+</b>	<b>30,777</b>	<b>100%</b>	<b>5,930</b>	<b>100%</b>	<b>3,400</b>	<b>100%</b>

Source: 2000 Census, SF3 Tables P26 &amp; P27

\*City boundaries as of 4/1/2000

\*\*Census Designated Place

na=not applicable since these areas were not within a city at the time of the census

**Table E-9**  
**Persons with Disabilities by Age Group**  
**Lake Forest, Foothill Ranch and Portola Hills**

Disability by Age	Lake Forest*		Foothill Ranch CDP**		Portola Hills**	
	Disabilities	%	Disabilities	%	Disabilities	%
<b>Age 5 to 15 - total persons</b>	<b>10,004</b>	<b>--</b>	<b>2,005</b>	<b>--</b>	<b>1,340</b>	<b>--</b>
With a sensory disability	35	0.3%	0	--	0	--
With a physical disability	62	0.6%	7	0.3%	6	0.4%
With a mental disability	329	3.3%	80	4.0%	36	2.7%
With a self-care disability	58	0.6%	0	--	6	0.4%
<b>Age 16 to 64 - total persons</b>	<b>43,652</b>	<b>--</b>	<b>7,451</b>	<b>--</b>	<b>4,243</b>	<b>--</b>
With a sensory disability	580	1.3%	39	0.5%	41	1.0%
With a physical disability.	1,364	3.1%	132	1.8%	72	1.7%
With a mental disability	945	2.2%	40	0.5%	38	0.9%
With a self-care disability	390	0.9%	29	0.4%	15	0.4%
With a go-outside-the-home disability	1,643	3.8%	327	4.4%	201	4.7%
With an employment disability	3,365	7.7%	399	5.4%	246	5.8%
<b>Age 65 and over - total persons</b>	<b>5,051</b>	<b>--</b>	<b>173</b>	<b>--</b>	<b>180</b>	<b>--</b>
With a sensory disability	700	13.9%	10	5.8%	16	8.9%
With a physical disability.	1,210	24.0%	51	29.5%	37	20.6%
With a mental disability	559	11.1%	30	17.3%	18	10.0%
With a self-care disability	357	7.1%	0	--	9	5.0%
With a go-outside-the-home disability	904	17.9%	40	23.1%	28	15.6%

Source: 2000 Census, SF3 Tables P8 and P41

\*City boundaries as of 4/1/2000

\*\*Census Designated Place

Note: Numbers in shaded rows represent persons, not disabilities. Persons may report more than one disability



**Table E-10**  
**Elderly Households by Tenure**  
**Lake Forest, Foothill Ranch and Portola Hills**

Householder Age	Lake Forest*				Foothill Ranch CDP**				Portola Hills**			
	Owners		Renters		Owners		Renters		Owners		Renters	
	Households	%	Households	%	Households	%	Households	%	Households	%	Households	%
Under 65 years	12,221	85%	5,194	91%	2,918	99%	874	97%	1,889	94%	149	92%
65 to 74 years	1,169	8%	234	4%	18	0.6%	25	3%	78	4%	13	8%
75 to 84 years	778	5%	136	2%	9	0.3%	0	--	35	2%	0	--
85 and over	254	2%	138	2%	0	--	0	--	0	--	0	--
Total households	14,422	100%	5,702	100%	2,945	100%	899	100%	2,002	100%	162	100%

Source: 2000 Census, SF3 Table H14

\*City boundaries as of 4/1/2000

\*\*Census Designated Place

**Table E-11**  
**Household Size by Tenure**  
**Lake Forest, Foothill Ranch and Portola Hills**

Household Size	Lake Forest*				Foothill Ranch CDP**				Portola Hills**			
	Owners		Renters		Owners		Renters		Owners		Renters	
	Households	%	Households	%	Households	%	Households	%	Households	%	Households	%
1 person	2,452	17%	1,503	26%	319	11%	309	34%	265	13%	39	24%
2 persons	4,526	31%	1,663	29%	843	29%	317	35%	566	28%	61	38%
3 persons	2,537	18%	1,076	19%	648	22%	102	11%	429	21%	19	12%
4 persons	2,827	20%	735	13%	740	25%	152	17%	500	25%	34	21%
5 persons	1,223	8%	300	5%	314	11%	19	2%	172	9%	9	6%
6 persons	467	3%	181	3%	57	2%	0	--	60	3%	0	--
7+ persons	390	3%	244	4%	24	1%	0	--	10	0.5%	0	--
Total households	14,422	100%	5,702	100%	2,945	100%	899	100%	2,002	100%	162	100%

Source: 2000 Census, SF3 Table H17

\*City boundaries as of 4/1/2000

\*\*Census Designated Place

**Table E-12**  
**Household Type by Tenure**  
**Lake Forest, Foothill Ranch and Portola Hills**

Household Type	Lake Forest*				Foothill Ranch CDP**				Portola Hills**			
	Owners		Renters		Owners		Renters		Owners		Renters	
	Households	%	Households	%	Households	%	Households	%	Households	%	Households	%
Married couple family	9,743	68%	2,250	39%	2,349	80%	448	50%	1,452	73%	61	38%
Male householder, no wife present	503	3%	480	8%	35	1%	0	--	45	2%	0	--
Female householder, no husband present	1,025	7%	863	15%	157	5%	51	6%	118	6%	27	17%
Non-family households	3,151	22%	2,109	37%	404	14%	400	44%	387	19%	74	46%
Total households	14,422	100%	5,702	100%	2,945	100%	899	100%	2,002	100%	162	100%

Source: 2000 Census, SF3 Table H19

\*City boundaries as of 4/1/2000

\*\*Census Designated Place